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COMMANDERS DISCUSS JUNTA'S 'RECOMPOSITION'

PY070105 Buenos Aires DYN in Spanish 0014 GMT 7 Sep 82

[Text] Buenos Aires, 6 Sep (DYN) -- The commanders of the three armed services met today to consider "several aspects related to the recomposition of the military junta," it was officially reported tonight at Army headquarters. The meeting began at 1630 and ended at 1915, a communique said.

The following is the text of the communique:

"Lt Gen Cristino Nicolaides, commander in chief of the Army; Adm Jorge Isaac Anaya, commander in chief of the Navy; and Lt Gen Augusto Jorge Hughes, commander in chief of the Air Force, met today at the Libertador building, Army headquarters, beginning at 1630. Several issues related to the recomposition of the military junta were discussed at the meeting, which ended at 1915."

FORMER NAVY COMMANDER MASSERA RULES OUT COUP

PY042014 Buenos Aires DYN in Spanish 1805 GMT 3 Sep 82

[Excerpt] Bahia Blanca, 3 Sep (DYN) -- The former Navy commander, Adm Emilio Massera admitted today that there is "some unrest" in "certain sectors of the armed forces," but he categorically ruled out that a coup d'etat might take place.

Massera made these statements during a press conference which is part of the program of the visit he is making here along with (ret) Vice Adm Eduardo Fracassi, coordinator of the Party for Social Democracy. Massera stated that he has already proposed "that the power must be duly constituted, because nowadays, unfortunately, Argentina has no identity."

Massera said that "We need it because of our foreign debt, because of the frustrating Malvinas issue and other serious problems," either by "a (military) junta, or a provisional president or anything, because power must not be abstract or diffuse."

The leader of the Party for Social Democracy added that "If the government does not reconstitute the power and does not implement solutions to the urgent problems we have, I believe that the only viable alternative will be to advance the elections."

REPORTAGE ON NATIONAL DEBT, SANCTIONS AGAINST UK

Talks With U.S. 'Positive'

PY061358 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0110 GMT 6 Sep 82

[By Diana Page]

[Excerpt] Toronto, 5 Sep (NA) -- Argentine Economy Minister Jorge Wehbe revealed this afternoon that his talks with U.S. Treasury Department officials on refinancing Argentina's foreign debt have been "positive." Wehbe talked to a large group of Argentine businessmen and financiers who came to attend the IMF assembly which will begin deliberations tomorrow. The Argentine minister said that Secretary of the Treasury Donald Regan had expressed his decision to personally intervene if the talks with officials of his department stalled.

Wehbe then said that "it was not necessary to go back to Secretary Regan because the talks with officials of the Treasury Department were positive and a willingness to assist Argentina was demonstrated."

The Argentine economy minister told the group of Argentine businessmen gathered in one of the halls in the Sheraton center that he had also held talks with "important private bankers" in order to find points of agreement for refinancing Argentina's foreign debt. He also revealed that he had met "informally" with IMF officials to talk about the advisability and possibility of receiving IMF assistance to meet overdue foreign payments.

Economic Situation Laid to UK

PY061723 Buenos Aires CLARIN in Spanish 5 Sep 82 pp 10, 11

[By special correspondent Daniel Muchnik]

[Excerpts] Toronto, 4 Sep -- Economy Minister Jorge Wehbe admitted here last night that Argentina is "technically" in a state of default. But, he said, this situation cannot be attributed to the country, but rather to "the authorities of the United Kingdom".

The answer seems to have two interpretations: One: that it has been impossible for Argentina to reschedule what has "fallen due" because of the pressure the British Government is bringing to bear on the world's banking sector, a pressure that is being accepted; and two: that the frozen Argentine funds in London have not been used to pay the interest. Or both simultaneously...

Mr minister, how would you describe this trip? Wehbe answered this question in the following manner: "We are still at the informing stage. In other words, we have reported that we will honorably comply with our commitments. Our current situation is transitory, and it is very difficult because it originates in the programming of the debt and in the piling up of expiration dates. We have natural resources intact in the country. Our main desire is to calm internal feelings.

"This is because the lack of calm erodes the ability to pay, because less is produced, naturally."

Wehbe stressed: "All problems will be overcome if this process ends with a return to the Constitution. We want to leave a calm situation for those who will follow us in the government."

What is the opinion of the bankers? Wehbe's reply: "They listen. We explain to them that the changes of men in the government do not imply a catastrophe or a revolution. Everything is worked out using reasonable principles."

Don't they want to know whether Argentina is negotiating with the IMF? Wehbe states: "We answer that we are evaluating the convenience of obtaining all the options the IMF offers to any of its members."

Is Argentina defaulting, yes or no? "From the technical point of view, yes. But it must be remembered that the nation has just come out of its first war in 100 years. The financial authorities of the United Kingdom have a lot to do with our situation of default. If there is a delay in paying it cannot be attributed to Argentina, but rather to England. Any type of relations with London is a matter for the Foreign Ministry in Buenos Aires."

Is it $15 billion that falls due between now and the end of the year? (both Wehbe and Gonzalez del Solar [president of the Central Bank] give explanations). "It is a figure that can be refinanced as the debts fall due. But the figure is lower than the one you mentioned because interest rates have fallen throughout the world, and each point means hundreds of millions of dollars less on our bill. The private sector's debt, which no one can really estimate, is included indiscriminately in the overall debt."

Is Argentina using the international situation of many countries with large foreign debts as an umbrella? "We are not going to use any type of calamity as an umbrella," Wehbe indicates. "We will do our tasks with our own means. We will try to resolve, within our means, all the problems that the small and large banks have regarding the syndicated lines of credit that have been offered to Argentina."

Does your team foresee more reforms once you return to Buenos Aires?

"The exchange market plan," Wehbe asserts, "had already been drawn up by the group of technicians that preceded us. There cannot be several rates of exchange. The news will be made known very soon."

Will Argentina nationalize its banking sector as Mexico did? "Look here," Wehbe emphasized, "that is absolute rubbish."

Is the IMF already providing Argentina with money? "No", Wehbe concludes. "That is the error of those who do not understand. We are not going to return home from this meeting with money in our pockets.

Communication Channels Opened

PY070345 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0055 GMT 7 Sep 82

[By Diana Page]

[Text] Toronto, Canada, 6 Sep (NA) -- Argentina's Economy Minister Jorge Wehbe tonight confirmed that "communication channels," opened through the international financial community, are operating between Argentina and Great Britain.

Wehbe, who made this announcement during a press conference he hosted tonight, denied the report that Argentina would unilaterally lift the retaliatory financial sanctions imposed on Great Britain in the wake of the Malvinas war.

He termed the reports "absolutely false." However, he said that his country would be willing to lift those sanctions "provided Great Britain takes that step first."

Wehbe warned that the step taken by the Argentine Government would only include "the strictly financial sector," excluding trade sanctions.

On the other hand, he ruled out the word intermediary (between Argentina and Great Britain), although he noted that "if an issue is to be clarified there should be a way to exchange views" and that "communication channels are operating mainly within the international financial community."

Wehbe also referred to reports datelined Buenos Aires that some major political leaders have raised objections to negotiations with the IMF.

He said: "We will suggest the goals that could be accomplished and we will propose a solution to the situation. If political parties disagree, if they think that we can continue like this, letting the country fall into default or causing factories to close because of input shortages and so forth, well then, I would like those gentlemen, who are speaking so lightly and who are unaware of details, to make public statements and assume responsibilities."

Finally, he stressed that Argentine representatives are holding "meetings at good levels" with many private banks here, although he refused to identify those banks.

UK Offers To Lift Sanctions

PY040310 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2158 GMT 3 Sep 82

[Text] Buenos Aires, 3 Sep (NA) -- The Bank of England has sent a telex to the Central Bank of the Argentine Republic saying that it is willing to lift economic sanctions if and when the Buenos Aires government adopts a similar attitude.

Central Bank sources said that this telex is a duplicate of another telex sent to former bank President Domingo Cavallo 15 days ago.

Sanctions Against UK Remain

PY070314 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0140 GMT 7 Sep 82

[Text] Buenos Aires, 6 Sep (NA) — The Argentine Economy Ministry today reported that Argentine "political, economic, diplomatic and commercial" sanctions against the United Kingdom and the other nations that backed the former during the conflict over the South Atlantic islands "remain in effect."

A press communique issued in Toronto adds that the members of the Argentine delegation participating in the IMF talks have not held talks with British representatives.

The information released by the Economy Ministry refuted semi-official British reports broadcast by the BBC concerning contacts between Argentine and British delegations and the participation of "alleged mediators."

The Economy Ministry also termed "favorable" the negotiations at the IMF, thanks to the "receptive attitude of the representatives of foreign banks during their first contacts with the members of the Argentine mission to the IMF."

According to official information released, Minister Jorge Wehbe has met among others, A.W. Clausen, president of the IBRD, also called the World Bank; Donald Regan, U.S. secretary of treasury; and Beryl Sprinkel, Regan's deputy [title as received].

The official report indicated that not only the sanctions are being maintained, but also that no studies are underway to change the tasks of inspectors appointed to supervise British enterprises operating in Argentina.

Air Force on Refinancing Debt

PY052209 Buenos Aires BUENOS AIRES HERALD in English 4 Sep 82 p 9

[Text] The Air Force came out against refinancing Argentina's foreign debt yesterday if Britain applies any pressure to free British assets frozen here during the Malvinas war.

In its first public statement on politics since it left the military government on June 22, the Air Force also favoured an investigation of those responsible for the nearly 40 billion foreign debt.

In a position paper distributed last night, the Air Force proposed the creation of a "compensation fund" with British assets currently frozen in Argentina to offset damages suffered during the British capture of the Malvinas Islands. "These funds would gradually be unfrozen as negotiations begin to assure Argentine sovereignty over the islands," the document states.

BIGNONE TO ADDRESS UN IF FALKLANDS DISCUSSED

PY032243 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2005 GMT 3 Sep 82

[Excerpt] Buenos Aires, 3 Sep (NA) -- President Reynaldo Bignone might address the upcoming UN General Assembly to explain the Argentine position regarding the South Atlantic conflict and the reasons supporting the Argentine claim of sovereignty over the Malvinas Islands, a government source revealed today.

General Bignone will address the world forum only if the General Assembly, whose sessions will open on 21 September, decides to include the Malvinas issue in its agenda. Mexico has submitted a proposal in this regard, which has been supported by all the Latin American countries and which would eventually also be supported by the bloc of nonaligned countries.

A mission chaired by Arnoldo Listre, director of foreign policy of the Argentine Foreign Ministry, currently is in Europe examining with various European governments the possibility of them supporting the Mexican proposal.

The source did not specify the date General Bignone's address would take place since it must be fixed upon inclusion of the Malvinas issue in the General Assembly's agenda.

EXTENSION OF TREATY WITH CHILE REPORTED

PY041235 Buenos Aires DYN in Spanish 1037 GMT 4 Sep 82

[Excerpts] Buenos Aires, 4 Sep (DYN) -- Reliable sources here report that Argentina has agreed to extend the term of the treaty on judicial solution of controversies, signed with Chile in 1972, and to maintain it in force only for the Beagle dispute if the Chilean Government desists from taking the question to the courts at he Hague while the papal mediation continues.

The sources announced this while Foreign Minister Juan Aguirre Lanari was presiding over a meeting last night with Ambassador Carlos Ortiz de Rosas, head of the Argentine delegation to the Vatican, and other high-ranking officials of San Martin Palace at which the situation regarding the negotiations was analyzed.

The reliable sources added that the official announcement of the prolongation of the treaty on controversies will be made simultaneously in Santiago, Buenos Aires and the Vatican on Tuesday, 14 September, in a declaration to be signed by the delegates of the two nations involved in the dispute and Cardinal Antonio Samore, Pope John Paul II's representative at the mediation.

CUBAN SANCHEZ-LED MISSION ARRIVES 3 SEPTEMBER

PY031759 Buenos Aires Domestic Service in Spanish 1600 GMT 3 Sep 82

[Text] Irma Sanchez Valdes, minister president of the Cuban State Committee for Technical and Material Supply [CEATM], today arrived in our country. On her arrival at Ezeiza Airport, she said she was coming at the head of a business delegation which will hold a round of working meetings with Argentine officials over the next few days.

Although stating that the objective of the Cuban mission was not to purchase anything but to attend the above meetings, she noted that the possibility exists for Cuba to purchase cereal grains, complete plants [plantas completas] and even Argentine manufactured products.

She said that CEATM is charged with planning technical and material supplies in the country and controls a number of enterprises which sell those supplies to all other Cuban firms.

PERUVIAN ARMY CHIEF ARRIVES 5 SEPTEMBER

PY060241 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0042 GMT 6 Sep 82

[Excerpt] Buenos Aires, 5 Sep (NA) -- Peruvian Army Commander in Chief Francisco Miranda Rojas arrived today in the country and will meet tomorrow at 0830 with his Argentine counterpart, Cristino Nicolaides.

Meets President Bignone

PY062003 Buenos Aires DYN in Spanish 1650 GMT 6 Sep 82

[Text] Buenos Aires, 6 Sep (DYN) -- Official sources report that President Reynaldo Bignone today met Peruvian Army Commander in Chief Maj Gen Francisco Miranda Vargas and discussed several bilateral issues.

Miranda Vargas, who is on an official visit to Argentina, reportedly expressed his country's full support for the Argentine sovereighty claim over the Malvinas Islands.

According to official sources, the meeting, which lasted approximately 15 minutes, was of a "protocol" nature, since the Peruvian military chief had expressed a desire to greet President Bignone.

DEFENSE MINISTER RETURNS FROM MEXICO 3 SEP

PY031757 Buenos Aires Domestic Service in Spanish 1600 GMT 3 Sep 82

[Excerpt] Argentine Defense Minustry Julio Martinez Vivot today returned from Mexico. On his arrival at Ezeiza Airport, he told newsmen that an increasingly strong unity was being observed among Latin American countries. Mexico, which led a group of countries at the United Nations, will affirm the Argentine rights over the Malvinas in the next few days, he said. Martinez said he had gone to Mexico on a private visit to attend a Latin American congress on labor laws. He noted, however, that he met with Mexican officials related to his area of responsibility.

For his part, Mexican Ambassador Emilio Calderon Puig has stated that Argentine-Mexican relations are markedly improving and that they intended to improve them even more.

In a statement to newsmen at Ezeiza, Calderon said: Proof of this is a Mexican proposal, approved by Argentina and Latin America at large, to discuss every aspect related to the Malvinas Islands. He said the Mexican proposal was endorsed and widely supported by Latin American nations.

CENTRAL BANK DIRECTOR GILOTEAUX RESIGNS

PY050011 Rio de Janeiro LATIN AMERICA DAILY POST in English 4 Sep 82 p 5

[Text] Buenos Aires, Argentina -- Central Bank Director Santiago Giloteaux resigned Thursday, hours before he and Argentina's top economic officers were to fly to the International Monetary Fund meeting in Toronto. Banking sources said Giloteaux made contacts with some British bankers on a recent trip to the United States, which reportedly irritated the high military command because of the recent Falkland Islands war.

Giloteaux, who traveled to the United States to "sound out" the possibility of renegotiating Argentina's debt with American banks, apparently wanted to resign 10 days ago when the economy minister and former Central Bank President Domingo Cavallo abruptly resigned. But he decided to leave his post now because new Central Bank President Julio Gonzalez del Solar decided to go ahead and form part of Argentina's official mission to the International Monetary Fund meeting, which begins Monday in Toronto, bank officials said.

AGRICULTURE UNDER SECRETARY LEAVES FOR MANAGUA

PY042146 Buenos Aires TELAM in Spanish 1650 GMT 4 Sep 82

[Excerpt] Buenos Aires, 4 Sep (TELAM) -- Under Secretary of Agriculture Victor Saatirso said today that the sowing of Argentine grains is being carried out normally and that if the weather is good we will have a good harvest. Santirso made these remarks at the Ezeiza International Airport before his departure for Nicaragua, via Mexico, where he is going to attend a meeting of Latin American agriculture ministers organized by the FAO. He said: "I am going to the Managua meeting to discuss the problems of agricultural development in our continent."

THOUSANDS TURN OUT FOR COMMUNIST RALLY 3 SEP

PY052241 Buenos Aires BUENOS AIRES HERALD in English 4 Sep 82 p 9

[By Cristina Bonasegna]

[Text] About 20,000 people filled the Luna Park Stadium to capacity last night as another 3,000 waited outside for the first public rally held by the Argentine Communist Party since 1976.

At the massive gathering, which coincided with the launching of the party's affiliation and reaffiliation campaign, Secretary General Athos Fava and Secretary General of the Communist Youth Federation Patricio Echegaray called for "an authentic and stable democracy."

Although the audience was mainly made up of young people, a great number of middle-aged and old people also raised their clenched fists as they sang party slogans.

The meeting started at 7 pm with several artists, including folk singers Los Andariegos and Moncho Mieres, performing before a crowd that gradually grew silent.

Echegaray, who was promoted to secretary general of the party's Youth Federation last year, accused the military of being "wildly anti-youth, regarding young people with suspicion and branding them criminals.

"There is no room among the young for the right or the adventurous extreme left," the leader said.

"This must be the generation that definitely conquers democracy for the country. For this task, and for achieving real changes, the PC (Communist Party) calls for the of Peronists, Radicals, Intransigents, Socialists, Social Democrats, civilians and the military." On hearing the last word, the crowd burst into catcalls.

The young, Echegaray said, must fight for constitutional rights, "an end to the state of siege, with no prisoners, no missing people and no fear."

Athos Fava, on his part, stated that an agreement must be reached among all the sectors of Argentina to guarantee the country's democratization.

"Workers, youths, women and political parties, especially the ultiparty rouping, as the centre of a powerful civilian organization able to accept new members," should take part, he added.

To end, Fava called on party members to carry out a vigorous affiliation drive to have the necessary number of members to achieve national recognition, in accordance with the political parties statute recently passed by the government.

Yesterday's massive turnout for the gathering will have future importance, a PC source said. "All other parties, which up to now have neglected us either out of fear or prejudice, will realize we have people's support. They'll have to take us into account," he added.

Among the crowd waving red flags, there were Communist Party delegations from most provinces, pregnant mothers, and grandparents with children on their laps.

BRIEFS

AMBASSADORS TO VENEZUELA, SPAIN -- Buenos Aires, 28 Aug (NA) -- The Venezuelan Government has agreed to the designation of Dr Francisco Moyano as Argentine ambassador in Caracas, it was reported in San Martin Palace. [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1215 GMT 28 Aug 82 PY] Buenos Aires, 28 Aug (NA) -- San Martin Palace sources have reported that Ambassador Enrique Juan Ros has been designated as Argentine ambassador to Spain. [Buenos Aires NOTICIAS ARGENTINAS in Spanish 2055 GMT 28 Aug 82 PY]

ELECTORAL COURT SWORN IN BY VILDOSO 4 SEP

PY042210 Buenos Aires LATIN in Spanish 1755 GMT 4 Sep 82

[By Juan Javier Zeballos]

[Excerpts] La Paz, 4 Sep (LATIN-REUTER) -- The president of the Bolivian military government installed the National Electoral Court today and said that the event was a confirmation of the will of the armed forces to restore democracy, which was interrupted 2 years ago. Gen Guido Vildoso took the formal oath of the 16 members of the National Electoral Court representing the executive legislative and judicial branches as well as the political parties that obtained representation in Congress in the frustrated 1980 elections. According to Vildoso, this court will be in charge of conducting the Bolivian institutionalization process through general elections called for 24 April 1983 by the armed forces.

In the main speech of the ceremony, held at the legislative palace in this city, the president maintained that the armed forces are firmly convinced of the viability of the consultations with the people and will therefore shortly submit a draft statute for the political parties to the Electoral Court.

The president, who was placed in his post by the armed forces on 21 July, expressed his hope that Bolivia would emerge triumphant from the process, although great sacrifices would be needed. The installation of this court shows that the armed forces confirm their express will to constitutionalize Bolivia and Their commitment to keep their promise to hand over power to whoever wins the elections in 1983, Vildoso stated.

On behalf of the elected regular members, Guillermo Caballero, the representative of the judicial branch to the court, stated that Bolivia has been characterized politically by the subjugation of its institutions, the constant violation of juridicial order and disregard for constitutional rights and guarantees. Progress does not arrive by way of a dictatorship, said Caballero, who cautioned that only the reign of the Constitution and the consequent exercise of the sovereignty of the people will smooth the road toward liberation and civilized coexistence.

The installation of the court which, according to one of its members, may have the possibility of appointing a constitutional president by convening the Congress elected in 1980 or or carrying forward the electoral process, took place at the same time as the powerful Bolivian Labor Federation (COB) confirmed itd decision to struggle for the deepening of the democratic process.

In turn, the mineworkers of Siglo Veinte and Catavi have announced that they have joined the indefinite strike declared 2 days ago by the Huanuni mineworkers demanding the establishment of a minimum wage with a flexible scale based on the cost of living. In a communique issued here today, the Catavi and Siglo Veinte mineworkers set a Monday deadline for the government and the Mining Corporation of Bolivia to accept their wage proposals, otherwise, the strike begun today will become indefinite as that maintained by the Huanuni workers.

COB REPORTS REGIME TO ELIMINATE UNION LEADERS

PY042112 La Paz Cadena Panamericana in Spanish 0000 GMT 4 Sep 82

[Numbers listing points in communique as heard]

[Text] The Bolivian Labor Federation, COB, has revealed through a communique that the government is allegedly preparing a terrorist assault to physically eliminate political and union leaders. The communique was signed by the COB's principal leaders with the exception of Juan Lechin Oquendo.

COB Secretary General Oscar Sanjines has stated that the present democratic opening is the result of the organized struggle waged by all the workers of the country.

[Begin Sanjines recording] In view of the statements made by the interior minister and by high-ranking officials of the military government that there is currently a subversive movement against the holding of elections or the restoration of democracy, the COB reports the following:

1. The present democratic process is the result of the organized struggle waged by the Bolivian workers and the Bolivian people in general against the dictatorial regime installed on 17 July, 1980. We, the workers, will continue to pursue consolidating and strengthening the present democratic process within the framework of the resolutions approved during the 19th Bolivian mineworkers national congress. To this effect, we will resort to all the instruments provided by democracy, such as elections, congressional debates, political and labor union freedom, autonomy for the universities, and others. [end recording]

Sanjines also asserted that the statements made by high-ranking government officials of an alleged agreement between a Peruvian extremist group and some Bolivian union leaders implies the beginning of a terrorist assault to eliminate those union leaders and to launch massive repression against the people.

[Begin Sanjines recording] The statements made by the government that a coordinated plan between the Peruvian Shining Path group and organizations representing the Bolivian people has been discovered imply the beginning of a terrorist assault prepared within the government itself. This terrorist assault is designed to physically eliminate political and labor union leaders and to launch a massive repression against the Bolivian workers.

3. This repressing escalation against the workers' movement will serve the right and imperialism in the issuance of the new economic package within the next few hours that was suggested by the IMF. This new economic package mainly provides for the privatization of the state-run enterprises, an increase in the price of fuels and flour, a wage freeze and an increase in unemployment. [end recording]

Sanjines [word indistinct] said that the COB voices its total solidarity with its executive secretary, Juan Lechin Oquendo, and reasserts its decision to adopt all the measures called for by the people's struggle to counter the effects of the new economic package the government is preparing to release.

Lechin Oquendo Criticized

PY031517 La Paz Radio Illimani Network in Spanish 1100 GMT 3 Sep 82

[Excerpt] Gen (Jorge Zamora Carvajal), commander of the Bolivian police, has urged Juan Lechin Oquendo, executive secretary of the Bolivian Labor Federation, to behave with restraint and thoughtfulness so that we might learn to respect persons and institutions. This is the basis of the freedom of society and of nations, General (Zamora Carvajal) asserted.

In a statement to the press, the police commander referred to statements made by Juan Lechin Oquendo, who has said that he is opposed to the existence of the Bolivian armed forces and police. The general asserted that the armed forces and Bolivian police are institutions closely linked with the existence of the nation. The armed forces are dedicated to the defense of the sovereignty and territorial integrity of the nation and the Bolivian police participate as the fourth force in the defense of internal sovereignty by safeguarding order, the security of families and the harmonious coexistence among Bolivians.

He said that the statements are impetuous; they are an insult and a conspiracy against the country and its institutions. They provide evidence of a serious cultural alienation caused by foreign ideologies and interests. The call to action to destroy the armed forces and the Bolivian police should be investigated by the courts and the instituions in charge of such cases according to the law. It is a treacherous position to use antinational tactics and procedures which are punishable by law, since they may be part of a commitment to Vietnamize the country, he stated.

HUANUNI MINEWORKERS START INDEFINITE STRIKE

PY031530 La Paz Radio Illimani Network in Spanish 1100 GMT 3 Sep 82

[Text] The Huanuni mineworkers began an indefinite strike yesterday demanding the immediate implementation of the minimum wage with flexible scale. They also reject the implementation of any type of economic package since they are contrary to the interests of the working class. They further ask for a pronouncement by the Bolivian Labor Federation on this question and demand that the federation try to bring about a general mobilization of the workers in order to obtain a minimum wage with a flexible scale.

The mineworkers also demand the restocking of the company stores and the revision of the earnings calculations which, they say, are not in accordance with current production bonuses. In conclusion, they ask the government to take steps to repeal the decree on the floating dollar exchange rate in favor of a fixed exchange rate.

General Strike in Cochabamba

PY070329 Buenos Aires LATIN in Spanish 0247 GMT 7 Sep 82

[Text] La Paz, 6 Sep (LATIN-REUTER) -- A union group called a general strike today in the city of Cochabamba to demand that the Bolivian military government turn over power to civilians. Lucio Lopez, secretary general of the Federation of Factory Workers of Cochabamba, located 200 kilometers southeast of the capital, told local radio stations that the strike will be observed by all labor sectors of the city, including transportation workers. Lopez urged the people to refrain from driving their private vehicles to avoid trouble.

Union sources in Cochabamba said that the Departmental Labor Federation had not stated its position on the strike which, according to its organizers, will not be lifted until power is turned over to a civilian government.

[Paris AFP in Spanish at 0303 GMT on 7 September reports that picketing workers will begin the strike at 12 midnight on Monday by blocking public and private vehicles. It is also reported that the Seventh Infantry Division stationed in Cochabamba has been put on a state of alert.]

FRAUDULENT TIN SALE BEING INVESTIGATED

PY031530 La Paz Radio Illimani Network in Spanish 1100 GMT 3 Sep 82

[Excerpts] The comptroller general's office has ordered charges to be made against eight state officials, a foreign company and a private intermediary. Gen Mario Candia Navarro, comptroller general of the republic, reported at a press conference on the results of an investigation carried out at the Bolivian Central Bank and the National Smelting Enterprise [ENAF]. He said that Central Bank and ENAF officials have caused serious economic harm to the state in selling 800 metric tons of white tin [to Thailand] in a total amount of $10,692,000. The comptroller general's office has reported that 400 tons of tin, the second shipment, has been recovered in Singapore. Nevertheless, the illegal sale of white tin has caused a loss to Bolivia of about $5.2 million.

PARAMILITARY GROUP OCCUPIES CENTRAL BANK

PY040313 La Paz Radio Fides in Spanish 2330 GMT 3 Sep 82

[Summary] At 1900 today, several armed persons entered the ground floor of the Central Bank, took two employees prisoner and threatened the remainder with their weapons. The aggressors reportedly ripped signs from the walls by which the employees were voicing their demands. The aggressors have occupied almost the entire building and are currently continuing to harass the bank employees.

PRESIDENT APPROVES LAW ON NEW BALLOT SLIP

PY070004 Brasilia Domestic Service in Portuguese 2200 GMT 6 Sep 82

[Text] President Joao Figueiredo today approved the law establishing a single official ballot slip to be used in the 15 November elections. The voter will have to write on the ballot the name or registration number of the candidate for governor, senator, mayor, federal deputy, state deputy and councilman. The law also establishes that the Superior Electoral Court will draw the numbers by which each candidate will be identified.

CHAIRMAN OF NUCLEAR ENERGY COMMISSSION RESIGNS

PY070213 Brasilia Domestic Service in Portuguese 2200 GMT 6 Sep 82

[Text] Mines and Energy Minister Cesar Cals today announced that Hervasio de Carvalho, chairman of the Nuclear Energy Commission [CNEN], had resigned from his post due to health reasons. At noon on Wednesday, Carvalho will be replaced by Rex Nazare, executive director of the CNEN.

Cals said Carvalho will continue to provide his services to the government as he agreed to act as special adviser for nuclear affairs at the Mines and Energy Ministry, a post held by (Dario Gondim), the minister's chief of staff.

LUDWIG: BRAZIL WILL NOT SEND TROOPS TO NAMIBIA

PY062243 Rio de Janeiro O GLOBO in Portuguese 5 Sep 82 p 11

[Text] Porto Alegre (O GLOBO) -- Gen Rubem Ludwig, chief of the military household, yesterday said that the government decided not to honor the UN request to send troops to Namibia and that it will explain the reasons in the next few days.

Asked about the possibility of the Brazilian-U.S. agreement on military cooperation being revised, he said he had no information of any study to this effect. He noted, however, that he had taken office just a few days ago and that he had not had time to come to grips with all of the problems.

FOREIGN MINISTER COMMENTS ON WORLD SITUATION

PY042354 Rio de Janeiro LATIN AMERICA DAILY POST in English 4 Sep 82 p 1

[Text] Rio de Janeiro -- World crises, whether they be ideological, economic or social, should be resolved through peaceful means with frequent meetings being held between third world and industrialized nations. That thesis was supported Friday by Brazil's Foreign Minister Ramiro Saraiva Guerreiro during a presentation at the Superior War College. He said that today's world continues to confront the same problems of the past and that so far there have been no concrete solutions presented.

The Brazilian minister said that perspectives for an improvement in the world political climate would not improve as long as some nations felt they were superior to others. He called for a wide-ranging debate to discuss future solutions. He said that the era of dominant and subordinate relationships in world politics was now a thing of the past and proposed that "harmonization" of international interests become the fundamental characteristic of the international system.

Discussing Brazil's foreign economic policies, Saraiva Guerreiro declared that Brazil had achieved significant and positive results, especially with the developing world, where he noted that there was still more potential for growth. He described the current world economic situation as one of "sharp disquiet" despite the recent "alleviation" caused by the easing of international interest rates.

PROTECTIONISM TO BE DENOUNCED AT IMF SESSION

PY021445 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Sep 82 p 23

[Text] Brasilia -- On behalf of the Latin American countries, at the annual joint meeting of the International Monetary Fund [IMF] and the International Bank for Reconstruction and Development [IBRD], Brazil will condemn the dangerous protectionist measures adopted by the industrialized countries and the simplistic manner in which some developed nations solve their domestic economic problems -- using only monetary policy mechanisms and not coupling them to fiscal instruments.

This report was released yesterday by Finance Minister Ernane Galveas, who will speak in one of the IMF/IBRD plenary sessions between Monday and Wednesday of next week. Galveas, who will be the Latin American spokesman, will leave tomorrow for Toronto, Canada, where the meeting will take place. He said that his speech will reflect the desires and demands of the Latin American countries, because there already exists a consensus on the common difficulties encountered.

In addition to condemning the individualism of the wealthy countries in the face of the international economic recession, the finance minister's speech, as he himself reported, will defend greater freedom of trade, calling attention to the dangerous tendency toward bilateral negotiations to the detriment of multilateral solutions, which are considered more appropriate. Galveas will also ask for easier access by the developing nations to international financial markets so that they will be able to guarantee the resources they need to resolve their balance of payments problems.

The other demand of the bloc of Latin American countries -- all of them underdeveloped or developing -- according to Galveas, will be that the international organizations, such as the IMF, the World Bank and the Inter-American Development Bank [IDB], in addition to the special financing agencies linked to those institutions, must mobilize an increasing volume of resources. That money would be gathered by these organizations and the private financial organs of the great nations and passed on to the developing countries.

Galveas also said that he will present a concrete proposal to help the developing nations cope with their domestic economic crises resulting from the world recession: doubling the contribution of each member of the IMF; establishing new special drawing rights quotas; and encouraging the IMF to take funds from the market and to make loans.

FRENCH DEFENSE MINISTER ARRIVES IN MANAUS

PY052353 Paris AFP in Spanish 1452 GMT 5 Sep 82

[Excerpt] Manaus, Brazil, 5 Sep (AFP) -- French Defense Minister Charles Hernu this morning arrived in Manaus, in the Amazon region, initiating a 4-day official visit to Brazil. The minister, who arrived from Paris, was met at the Manaus military base by Gen Roberto Klein, chief of staff of Amazonas, and military commander Gen Euclides Figueiredo.

Arms Sales Discussed

PY070156 Brasilia Domestic Service in Portuguese 2200 GMT 6 Sep 82

[Text] In a statement to the press, French Defense Minister Charles Hernu today announced that a document of intent on transfer of French technology for implementing a shipbuilding program in our country was signed during the visit he paid to Brazilian Navy Minister Maximiano da Fonseca. He also said that he had invited Admiral da Fonseca to visit France in the near future.

Minister Hernu also reported that there are studies for the sale of Mirage 2000 aircraft to Brazil and that the Mirage sale was the main issue he discussed this morning with Air Minister Delio Jardim de Matos, whom he also invited to visit France in July next year to attend an aircraft exposition.

After his meeting with Minister Hernu, Air Minister Jardim de Matos reported that Brazil wanted to buy two Mirage III-D aircraft for training purposes from the longest bidder. He also noted that Brazil will soon manufacture electronic equipment with French technology and that talks will be initiated with France for the purchase of radar equipment.

POLICE DISBAND PT MEETING IN BELO HORIZONTE

PY042250 Rio de Janeiro JORNAL DO BRASIL in Portuguese 3 Sep 82 p 4

[Excerpts] Belo Horizonte — Some 50 military police shock troops wielding clubs yesterday disbanded candidates for the Workers Party [PT] in downtown Belo Horizonte. These candidates were thus prevented from holding a rally and disbributing electoral campaign material. Physician Apolo Henrique Lisboa, candidate for the Chamber of Deputies, was arrested, taken to the DOPS [Socialist and Political Order Department] and later released.

Defying the police repression — the police turned over tables displaying PT pamphlets — the PT candidates and their followers distributed the campaign material while wearing muzzles of black fabric as a gesture of protest against the Security Secretariat, which forebade the freedom march they intended to make from downtown to the government palace on the Freedom Plaza.

The PT candidate for governor, Professor Sandra Starling, said that after Security Secretary Col Amando Amaral announced the ban the day before, she tried to see Governor Francelino Pereira, but he was out of town and his secretary refused to meet with her.

PMDB CANDIDATE SHOT BY POLICEMAN IN RECIFE

PY062105 Paris AFP in Spanish 0225 GMT 5 Sep 82

[Excerpt] Recife, Brazil, 4 Sep (AFP) — A candidate for deputy for the opposition Brazilian Democratic Mobilization Party (PMDB) was shot today by an officer of the Recife police while delivering a critical speech on the Pernambuco State government during a rally held in this capital.

Clodoaldo Torres, an engineer, was taken in serious condition to a hospital in Recife, but his attacker escaped, police said.

DEMOCRATIC MOBILIZATION PARTY ISSUES DOCUMENT

PY032023 Rio de Janeiro O GLOBO in Portuguese 2 SEP 82 p 4

[Document entitled: "Democratic Compromise of the PMDB," issued on 1 September by the Brazilian Democratic Mobilization Party -- PMDB]

[Text] For the first time, after so many years of struggle against arbitrariness, the people will choose state governors. It is a conquest for all Brazilians and also a victory for the PMDB. Through our party, the people have expressed their rejection of oppression, ineffective economic policies, the shameful corruption of the public administration, social inequalities and the alienation of national sovereignty. We oppose all kinds of violence. We denounce the illusion of the economic miracle, the strain caused by low salaries, and the chaos in the education and health sectors. We protest against the disorder of social security services, which have burdened workers and unconstitutionally reduced pensions. We have not remained silent in the face of starvation, unemployment and the lack of housing, schools and transportation services. We have pointed to the evil alliance between an irresponsible technocracy and the powerful with their privileges, an alliance which has disproved the public character of the state. We condemn the subordination of national to foreign interests, something which hinders our country's self-determination. We struggle for democracy. We have survived through the people's hope, because we spoke for those who could not speak during the period of fierce arbitrariness. And now, once again backed by the people's confidence, we will advance toward the democratic transformation of national life.

The nation is undergoing a deep crisis. Authoritarianism is leading Brazil to disaster. After neglecting the seriousness of world economic problems, the regime surrendered to impositions from the international financial power, thus disclosing its inherent impotence hidden behind its facade of force; strong with the weak and weak with the strong. It has encouraged recession and unemployment. It has let inflation soar under the impact of financial speculation, food shortage and the disorderly waste of public funds. It has overwhelmed the country with an appalling $80 billion debt. It has overwhelmed national enterprises, above all the small and medium-size ones, with the world's highest interest rates, burdening the agricultural producer and cutting down the food supply. Incompetence and misrule have pushed chronic social problems to dangerous levels.

Cornered by the impasse, the government demands austerity from the people, austerity it does not practice; it asks for more sacrifice, causing millions of Brazilians to lose their jobs and disrupting productive units built up through the efforts of generations; from recession to recession, from social crisis to social crisis it has destroyed the economy and driven the people to despair.

As usual, the possessors of power mistake their inability for a fatal lack of alternatives. They ignore the proposals drawn up by the PMDB. They even have the nerve to deny their existence. And they lie. They contend that they are properly managing the foreign debt and that they are struggling to curb inflation; they announce social programs whose funds vanish inside the bottomless pocket of the financial chaos. They claim that recession is unavoidable. They want us to believe that the solution to the crisis demands millions of unemployed. They claim there is no money to satisfy the people's needs, while funds are being wasted through the string of tyrannical programs imposed by foreign interests, amid the squandering involved in the lavish election advertising, amid the cult of individuals, amid the monumental size of projects and of spendthrift and voluptuous expense accounts. While contending that they want democracy, they actually cling to power like barnacles on the hull of a sinking ship, under the sticking plaster of perpetuation.

"The PMDB rejects this wretched course. It foresees the future with optimism, with hope. It believes in the society and its full potential. The alternative which we propose stems from the willingness and the strength of the nation, of its irresistible vocation for the development of the human being. Our proposal is not a gift of enlightened persons but is the result of many years of dialogue with all the sectors of society throughout the country, in the interior and in the cities; on the streets, at factories, labor unions, schools, and professional and community associations. It is the result of a dialogue with the workers, the women, the youth; with businessmen, public servants, the churches, intellectuals and artists; with the Negroes, the Indians, the ecologists and all the minorities.

"We are committed to the democratic transformation of the Brazilian society. At present, we reassert our commitment to the peoples' participation in decisionmaking, our commitment to social justice, our commitment to the administration's moralization, our commitment to national sovereignty. This is the commitment which keeps us united, which will keep us united, which will consolidate our unity within the PMDB with the victory at the ballot boxes, thus disproving the rumors that the party will dissolve after the 15 November elections. In short, this is the PMDB's democratic commitment which was reasserted in Brasilia by its national leadership, by the Pedroso Horta Foundation, by the 22 candidates running for state governor, vice-governors and senators.

"Only power rules power. The labor unions will only be in position to negotiate with the power of the businessmen and the power of the state if they have autonomy. We want vigorous social movements. We want political parties free of a castrating and factious law which, above all, prevents free access to the media. We want the restoration of public liberties through the elimination of the authoritarian law. We want a guarantee to exercise the right to meet, to voice an opinion, to associate, to strike. We want the citizen to have the right to demand from the state that it provide him with education, health services, housing, a job, recreation. We want the citizens to fully exercise their political rights, including the right for the illiterate to vote. We want rotation in power with free and direct elections at all levels, for mayors of capitals, for municipal districts considered to be of national security, and for the presidency of the republic.

"The full democratization of national life dictates the independence of the legislative power and the judicial power, the reestablishment of the federation, the autonomy of the municipal districts. It is necessary to create mechanisms that will curb the irresponsibility of technocracy and that will ensure the presence of the people in, and their continuous supervision of, the exercise of power.

"Through us the PMDB today reasserts that democracy represents the permanent mobilization of the society. It represents the people freely establishing their future. It reasserts that only democracy safeguards the development of human potential. It reasserts that only through democracy will we achieve social justice and, based on the truth, build a nation. It reasserts that democracy both in theory and practice will allow the economic and social changes which the country is demanding.

"The PMDB, in view of the world crisis, wants a policy which will protect the national economy and the society. The PMDB, in view of the inequity which favors the minority, wants a subordinated government serving the rights of the great majorities. The PMDB, in view of mismanagement, wants medium- and long-term development programs. We have had enough submission to foreign interests. We have had enough speculation and parasitism. We have had enough improvisation and hasty decisions.

"It is time to close the long recession cycle and consequent unemployment. It is time to lower the interest rates, to encourage social expenditures in order to increase the employment level, to dictate emergency fiscal and financial measures for an orderly recovery of economic growth, and to struggle against inflation. The failure of the economic management makes it necessary to renegotiate the foreign debt in order to free ourselves from restraint and international pressures.

"This package of immediate measures should be in keeping with a medium- and long-term comprehensive program which should have the objective of linking economic development with social justice and national sovereignty.

Therefore, we advocate the redistribution of both income and wealth. We propose that the level of salaries and unemployment insurance be responsibly increased, that priority be assigned to expenditures of a social nature earmarked for improving the overall standard of living and for creating new jobs. We also propose an in-depth reform of the social security system and the solution to unacceptable regional inequalities. We want to bring order into the situation concerning land tenure in Brazil, which has been filled with bloodshed and terror due to the prevailing injustice, by facilitating and stimulating access by everyone to land ownership since land should have a social function. Thus, we advocate the reorganization of the productive system. We propose an industrial-technological policy, a new agricultural policy, a new energy policy and a new urban development policy. We also propose a new mineral policy; we will in no way let Carajas or any other region become enclaves of foreign capital which would leave behind ecological damage, misery and mammoth holes. If necessary, we are determined to file a class action suit.

It is also high time to state that we do not advocate isolationism. We support an independent foreign policy which would seek alliances, especially with those brother peoples sharing our same desire to move ahead by ourselves on the path of civilization. Thus we also support a cultural policy which would seek, without xenophobia, to uphold our heritage. We want to build modern standards on the basis of our national, popular values.

Among the diversity of problems we will have to face in each state, and despite the excessive concentration of both power and income by the federal government, we will rule with the creative participation of the people; we will recognize the priority nature of popular claims; we will decentralize administrations by conferring greater powers to municipalities, and we will restore dignity and honesty to public office. The PMDB governors and their party are united in a struggle to implement a policy which would compensate for the existing regional inequalities and which would promote national and social integration. We state and recognize the need for us to secure a majority in the electoral college which will elect the next president of the republic and, through that majority, to achieve the ultimate goal of our program -- the convocation of a free, sovereign national constituent assembly.

The proposals we are making to the nation are contained in the PMDB program, in [the PMDB document] "Hope and Change," in the many documents issued and seminars held in recent years, and in our government platform. During this great popular campaign, we will meet with all Brazilians without arrogance, without intransigence but with humility, and absolutely aware that the PMDB national plan conveys the desires of the people.

Brazilians we are hereby once again complying with our duty of charging the government and its submissive party with plotting a sinister plan to distort the 15 November election, which will now be held with a ballot which had been rejected by the nation. The new ballot reveals an unpatriotic attempt to make it difficult for the people to vote and make their choices, perhaps to cause them to cast invalid ballots.

We also strongly denounce the fact that the government has again failed to fulfill its promise to repeal the detestable Falcao law. This failure entails admission by the government that it wants to keep its authoritarian monopoly of the mass media and that it is afraid that the opposition might disclose its nefarious, antipopular policies.

This is a critical time. The crisis threatens to destroy the nation. Yet, with God's help, we are now having extraordinary possibilities -- perhaps for the first time in our history -- to promote democracy in the nation. We will determine our future course in the 15 November election. We will have to choose between disaster and a responsible, competent organized change, which will start only when the opposition takes control of the state governments, of municipal councils, and National Congress and the legislative and municipal assemblies.

The people will win. They will overcome the detestable arbitrariness and the corrupt squandering of public funds. The people will win because they are stronger than arbitrariness. The people will win because they are prepared for change and have faith in the PMDB as the acronym of hope.

President Critizes Document

PY040131 Sao Paulo Radio Bandeirantes Network in Portuguese 3 Sep 82

[Excerpt] President Joao Figueiredo exchanged views with some legislators on the document "Hope and Change" issued by the PMDB -- Brazilian Democratic Mobilization Party. After making ironic remarks, Figueiredo said he felt frustrated and disappointed with the document. He told Prisco Viana, the secretary general of the PDS, Social Democratic Party, that the document makes no contribution to resolving the country's major problems; inflation and balance of payments. To Deputy Adhemar Ghisi, Figueiredo said the document reveals the lack of maturity of its authors, mainly because the proposals are contradictory.

Government House spokesman Carlos Atila summarized Figueiredo's opinion with the following words: The proposals by the opposition would provoke recession and unemployment if adopted, and this the Brazilian people could not stand.

PDS President Senator Jose Sarney also reacted to the letter from the PMDB candidates to state governorships. He said: The document includes a mixture of solutions which are impossible to attain or proposals which are impossible to implement. PDS leader Deputy Siqueira Campos referred to the PMDB letter as a demagogic document out of keeping with reality. It is merely a campaign document, he added.

Police Disband PMDB Rally

PY042303 Rio de Janeiro JORNAL DO BRASIL in Portuguese 3 Sep 82 p 4

[Excerpts] Porto Alegre -- The initiative of the PMDB [Brazilian Democratic Mobilization Party] to teach the use of the new ballot slip ended in tumult. As the rally was coming to an end yesterday at 1330 in this capital's downtown, a military brigade intervened, alleging that the party had no police permission to stage a campaign rally in a public site. Confusion began when the police wanted to take Deputy Jose Fogaca to the First Police District. PMDB militants reacted and four policemen and, four PMDB men were injured, and four people were arrested.

When the National President of the PMDB youth, Davi Oliveira, was speaking, Police Lt Altemir Ferreira walked up to the group of 100 persons. Upon recognizing Deputy Jose Fogaca, the lieutenant said to him "Come on, Fogaca, again. You know that holding rallies here is forbidden." The PMDB followers tried to solve the problem by telling the lieutenant that the rally could be held there because an article of Resolution 11278 of the Superior Electoral Court [TSE] permitted outdoor rallies without police permission.

SECURITY SERVICES ALERTED AGAINST JCR TERRORISM

PY062103 Paris AFP in Spanish 1717 GMT 6 Sep 82

[Text] Santiago, 6 Sep (AFP) -- Chilean Government security services are on the alert owing to a subversive plan which Cuba and the Soviet Union have set in motion in Latin America and other parts of the world, it was reported in Santiago today. According to official sources, the mastermind in Latin America is the Revolutionary Coordinating Junta [JCR] made up of Argentine Montoneros, Uruguayan Tupamaros, Bolivia's National Liberation Army, Chile's Movement of the Revolutionary Left (MIR), Guatemala's Guerrilla Army of the Poor, the Bolivian Movement of the Revolutionary Left and Colombia's 19 April Movement.

It was said that after holding meetings in Argentina, Venezuela and France, the JCR headquarters is now located in Mexico and the JCR has strong connections with terrorist groups around the world. The information sources of the newspaper EL MERCURIO said that several movements have operated with the Spanish ETA and the PLO, and that the latter has provided guerrilla warfare training to members of the Chilean MIR. The past and future plans to destabilize governments in the continent have recently been analyzed at a conference held in Cuernavaca, Mexico, the sources added.

In Chile, however, the strict controls on the part of the government have rustrated the objectives of such a plan, the sources consulted indicated. Terrorism exists here to some extent, but the security services have managed to restrict its expansion after learning how it operates, it was said.

According to the report, one of the government's successes is having controlled the MIR militants who tried to secretly slip back into the country. These people were either killed or arrested whenever they tried to enter Chile at various border points, nine of them being killed in the Neltume border area.

An analysis prepared by the security services showed that last March Chile suffered only 1 percent of the terrorist attacks perpetrated in the region, while El Salvador suffered 41 percent, Peru 27 percent, Guatemala 12 percent, Colombia 10 percent, and Bolivia 2 percent.

ALLENDE GROUP INTERFERES WITH TV BROADCAST

PY042004 Paris AFP in Spanish 1432 GMT 4 Sep 82

[Text] Santiago, 4 Sep (AFP) -- The self-styled Commando Salvador Allende interfered for 7 minutes with the regular transmission of the state-owned television station to air a message, it was reported here today. Persons who were watching the state-owned television station in the higher sectors of this capital said they were surprised to hear a message which was clearly audible.

The message attacked the policy and actions conducted by the administration of Gen Augusto Pinochet since 11 September 1973, the day on which President Salvador Allende was overthrown.

In today's edition, the newspaper LA TERCERA DE LA HORA noted that the message advised the people that they should be alert at 1000 on the 10th but gave no further details.

STUDENTS RIOT IN VALPARAISO, SANTIAGO 3 SEP

PY041955 Buenos Aires LATIN in Spanish 1541 GMT 4 Sep 82

[Excerpt] Valparaiso, 4 Sep (LATIN-REUTER) -- Seven persons were detained here yesterday due to street riots that took place near the Catholic university of this city, which is located 140 kilometers northeast of Santiago, officials reported here today. A communique released by the regional intendant gave a list of the detainees, among whom are one high school and three university students.

The incidents occurred when several hundred persons staged an antigovernment demonstration in front of the Catholic university and carabineros (militarized police) hurled tear gas grenades at them. The detainees were placed at the disposal of the Interior Ministry, which will have to decide their case in 5 days. Incidents among rival factions of students also took place yesterday at the Law School in the University of Chile in Santiago. The incidents stemmed from the students' positions on the government's decision to force opposition leaders into exile.

Demonstrations Downplayed

PY042142 Santiago Domestic Service in Spanish 1730 GMT 4 Sep 82

[Relay from government house by Graciela Contreras]

[Excerpt] Interior Minister Enrique Montero downplayed the incidents involving university students in Santiago and Valparaiso yesterday. In this regard he said: [Begin Montero recording] (?According to reports I have received), the incidents in Santiago were minor. I even talked personally with the dean of the School of Law, who told me that at that time he was carrying out his normal activities [words indistinct]. Regarding Valparaiso, an incident took place in the area of the Catholic university involving students and some persons not affiliated with the university. This problem is now in the hands of regional officials. Therefore, next Monday morning I am going to get an overall report in order to determine what measures to take in relation to the people arrested [words indistinct]. I have been told that the arrests took place outside the university grounds and that the demonstrators were on their way to a park in Valparaiso; however, one student was arrested in front of the main door of the Catholic university and, according to reports, is a student of (Santa Maria) University. [end recording]

CARLOS CACERES NAMED CENTRAL BANK PRESIDENT

PY041849 Santiago Domestic Service in Spanish 1730 GMT 4 Sep 82

[Excerpt] The appointment of Carlos Caceres, an economist, as president of the Central Bank was made official as the appropriate decree was published today in the Official Gazette. Caceres replaces Miguel Kast, who resigned from this post to engage in private activities.

RESIGNATIONS OF UNDER SECRETARIES ACCEPTED

PY070245 Santiago Domestic Service in Spanish 0000 GMT 7 Sep 82

[Government house report by Graciela Contreras]

[Excerpt] President Augusto Pinochet has accepted resignations submitted by the under secretaries of economy, development and reconstruction, telecommunications and education. He also confirmed other under secretaries in their posts. Ramon Suarez, under secretary of the Interior, reported that President Pinochet revealed his decision during a meeting he held with all the under secretaries. The names of the persons who will replace the outgoing under secretaries were not given. Outgoing officials are: (Pedro Pizarro Bals), Col (Jaime Machuca Blanco) and Manuel Jose Errazuriz Rojas.

CATHOLIC MAGAZINE CRITICIZES PINOCHET REGIME

PY022202 Paris AFP in Spanish 1649 GMT 2 Sep 82

[Text] Santiago, 2 Sep (AFP) — The magazine MENSAJE of the Catholic Church today comments that "After promising, upon taking over power, to lead Chile through the best period of its history," President Augusto Pinochet's military regime "has led the nation, after 9 years, to a frankly deplorable situation."

According to the magazine, "The nation is not moving toward democracy. It is no more prosperous than before, nor has it achieved better domestic coexistence. On the contrary, schisms and hate have increased." MENSAJE states that "a deep despair is being felt, and the worst part of the crisis does not seem to be the lack of prospects in general, but the widespread demoralization that this lack has caused."

"Those who do not share the viewpoints of the regime are demoralized and now many of the regime's followers are also confused. If to this we were to add a justified fear of increased militarization and of what may ensue, it becomes easy to understand the state of mind prevailing in the nation," the magazine adds.

According to MENSAJE, which has nationwide circulation and is led by the Jesuit Renato Hevia, the Chilean rulers have been very stubborn in the implementation of the model which they chose. The magazine indicates that "they were told in every possible manner that nothing will work when a minority tries to impose on the majority a way of life which the latter does not share, that the extended suffering of many people cannot be flippantly regarded as the social cost of a hypothetical future and that democracy cannot be built after economic development has been achieved but must come at the same time."

However, MENSAJE does not believe "that everything has been lost, providing that either the current government or its successors are willing to change their stand in the quest for solutions." The magazine emphasizes that "the first step is to seek a government of national unity and not of confrontation."

GOVERNMENT TO APPROVE ANTIKIDNAPPING LAW

PY032218 Santiago Domestic Service in Spanish 1730 GMT 2 Sep 82

[Relay from government house by Graciela Contreras]

[Excerpt] Today Admiral Merino disclosed that the antikidnapping law is about to be approved. The member of the government junta stated that at present the maximum sentence for kidnapping is only 541 days. The new law provides for a death sentence should there be any loss of life or actions which may endanger the person. During an informal meeting with journalists at La Moneda Palace, Admiral Merino pointed out the difference between the antiterrorist law being analyzed and the antikidnapping law that will be issued shortly. These statements were made after a meeting with the president of the republic during which, he stated, they discussed subjects regarding the Navy.

ENTRY OF JAPANESE TROOPS FOR MANEUVERS ALLOWED

PY031527 Santiago Domestic Service in Spanish 1100 GMT 3 Sep 82

[Relay from government house by Graciela Contreras]

[Text] The government junta, in response to a request by the chief of state, has given its constitutional authorization for troops of the Japanese training squadron for maritime self-defense to enter specified areas of the country in order to take part together with units of the Chilean Navy in joint maneuvers to be carried out from 8 to 13 December. It has also authorized the landing on 10 September of a Japanese unit with its weapons in Valparaiso where a monument to the heros of Iquique stands.

AIR FORCE COMMANDER SUSPENDS VISIT TO ENGLAND

PY032233 Paris AFP in Spanish 1506 GMT 3 Sep 82

[Text] Santiago, 3 Sep (AFP) -- Today a government spokesman disclosed that Brig Gen Fernando Matthei, commander of the Chilean Air Force and member of the government junta, has suspended his visit to England scheduled for this month.

Matthei was invited to the Farnborough air fair where the Pillan training aircraft, built here by the Air Force with the aid of Spanish and U.S. firms, will be presented. According to press reports, the upcoming visit by the South American official to Great Britain was being criticized in London by the Labor Party which pointed out the human rights violations in Chile under the military regime headed by Gen Augusto Pinochet.

BRITISH TRADE MINISTER REES ARRIVES 3 SEPTEMBER

PY032223 Santiago Domestic Service in Spanish 1730 GMT 3 Sep 82

[Text] Upon arriving in this country today, British Trade Minister Peter Rees pointed out the increase in Chilean and British trade relations. In Santiago, Rees will hold meetings at the highest level with the objective of strengthening ties between the two countries.

The British minister is accompanied by British bankers and businessmen and was received at the Arturo Merino Benitez Airport by the British ambassador and the vice president of the Production Development Corporation (CORFO). Rees' first statement was to voice his satisfaction on the tour he has just begun through Latin America, which will also include visits to Paraguay and Peru.

Seeks Strengthening of Ties

PY070201 Santiago Domestic Service in Spanish 0000 GMT 7 Sep 82

[Text] Speaking at a luncheon given in his honor by the Chilean-British Chamber of Commerce, British Trade Minister Peter Rees said that Great Britain wants to strengthen economic, cultural and political ties with Chile. He expressed the hope that his visit will promote bilateral relations which, he said, are very important and must be maintained and strengthened through reciprocal visits.

He also referred to what he called one of the unforeseen byproducts of the South Atlantic conflict, namely, that since the British people are now more clearly aware of Latin American opportunities and achievements, they can derive benefits from them.

Finally, he lamented the decrease in trade between Great Britain and the Latin American countries, including Chile. He stressed that they will do all in their power to improve this situation.

FINANCE MINISTER LUDERS LEAVES FOR IMF MEETING

PY050151 Paris AFP in Spanish 0124 GMT 5 Sep 82

[Text] Santiago, 4 Sep (AFP) -- Chilean Economy and Finance Minister Rolf Luders left for Toronto, Canada tonight to attend the IMF annual meeting. In addition to Luders, who was installed last Monday after a cabinet reshuffle, the new president of the Central Bank, Carlos Caceres, also travelled with the Chilean delegation.

A month before President Augusto Pinochet reorganized the economic team, the IMF granted Chile credits for more than $800 million to back Chilean international reserves.

BRIEFS

CONSUMER PRICE INDEX -- According to (Sergio Chaparro), national director of the statistics department, the consumer price index was up 3.2 percent in August. The breakdown is as follows: food 1.4 percent; housing 0.3 percent; clothing minus 0.1 percent; and others 1 percent. [figures as heard] Thus, the inflation rate stands at 5.7 percent thus far in 1982. It was 7.4 percent during the same period last year. [Santiago Domestic Service in Spanish 1730 GMT 1 Sep 82 PY]

PRESIDENT BETANCUR STATE OF THE NATION SPEECH

PA022215 Bogota Domestic Service in Spanish 0100 GMT 2 Sep 82

[State of the nation speech by Colombian President Belisario Betancur, from Narino Palace -- live]

[Excerpts] Fellow countrymen, I did not want the month of August, my first month of government, to go by without addressing you and presenting the current state of the nation as well as our proposals and decisions regarding the reconstruction of the Colombian economy.

Before I start discussing the different subjects I would like to make an apology. I will try and be clear in my speech but at times I will have to use technical terminology that some may not be able to understand. Economic science is complex but not impossible to comprehend, and little by little I will be explaining this to you clearly and with understandable words, excluding all those little extras that the ancient doctors wrote on their prescriptions in handwriting that only the doctor and his personal pharmacist could understand.

In the last 30 years a deep change has occurred in Colombian economic philosophy. We have changed from a rural country to one with great urban areas, with a more complete social and communal organization; the social and communal organization of the past was a pastoral organization. We have been supplying towns with conditions of relative well-being, but large groups have remained outside these benefits. Although today organized public services have improved the people's health, education and life expectancy; and though Colombia today is much different from postwar Colombia -- we should still be dissatisfied, because in those years we should have and we could have more deeply changed the unjust structure of our society.

In this new stage we can count on institutions that even in times of crisis such as this are solid. For example we have an experienced industry. We have thousands of young professionals who look the future straight in the eye without fear. We have organized workers at several labor centers who have respectable and well-prepared leaders. We have banking and finance coordinating mechanisms that despite their defects, and we are experiencing them now, have been capable of mobilizing savings never before registered in the history of the Colombian economy. We have specialized mechanisms that have successfully faced the new challenges, and above all we have business leaders of foresight and action who are capable of carrying out creative tasks. My government's decision is to build on these bases of positive realities, build and construct the new country in which honest work will once again be good business. If ever there was something that characterized our economy in the past, it was its capacity to overcome changing situations.

Let us discuss now the reasons for the crisis. There is a crisis, because the main production sectors are stagnant. The high return from production for the years 1970 to 1978 dropped markedly to less than half, to the point that in 1978-81 it registered 2 percent; and for the first time in a long time in recent months it dropped in absolute terms. The analysis of the industrial cycles of the last 12 years demonstrates that the duration of the current recession, the current crisis, which has already lasted 30 months, is substantially longer than all previous recessions; and in comparison with the last decade, when the agricultural sector advanced relatively well, in the past 2 years this advance has been below the vegetative growth of the country. The population growth is much faster than the growth of the agricultural sector, and this has serious effects on food products and exports, which has brought about an increase in the price of food products and has forced us to import these products.

This has brought about the agriculture ministry's loss of some of its capacity of leadership and action, and its institutions have become weaker -- the institutions that depend on the Agriculture Ministry.

Well, this situation also becomes more involved because the construction industry has been weakened. This industry is our most effective means of creating jobs, but in the last few months it has showed symptoms of paralysis to the point that licenses for construction, measured in square meters, have dropped 10 percent compared with last year. Therefore, all hopes for recovery have become difficult, for they have turned out to be (?groundless); and as if this were not enough, industry and construction contractors are experiencing difficulties, and their outlook regarding continuity and the financial situation is sad. The hope of jobs for workers employed in this industry has been steadily diminishing this year. This is how unemployment begins.

The collapse of these three important production areas, as well as unemployment, demonstrates that there is a crisis in the market that does not allow selling products on time and maintaining the rhythm of activity. In technical terminology this is called a crisis of aggregate demand, without satisfactory purchasing power by the consumer. The consumers don't purchase; they haven't got the money to buy.

Tonight I have to confess to you that this is a serious situation. Not only has our advance stopped, but we are beginning to drop. Bankruptcy is multiplying, unemployment is growing, young people seeking jobs are facing difficulties and people who do have jobs are afraid that they may lose them. There is also a crisis because this recession is now surrounded -- and has been for a long time -- by a marked atmosphere of inflation. There is inflation when the growth of means of payment -- the money people have, the money circulating among the people -- is greater than production growth. When there is more money to buy things, what things are there to buy with this money?

In the last 12 years, money in the hands of the people grew by a factor of 12, whereas production this year did not achieve [words indistinct]. Thus, prices were more than nine times higher than those of 1970. Inflation is becoming a routine matter in the country's life; it is part of our daily lives and we have grown accustomed to it. This fact must not be accepted as the necessary price of progress. History has proven that as inflation grows, true economic advance is retarded.

The best method of measuring fiscal deficit is to compare it with year by year production. This measure demonstrates that the deficit in 1981, last year, was the highest of the last 15 years, three times higher than the average deficit for the 1970's. The 1982 deficit will be even greater than last year's. Normally, the deficit varies around 1 percent of the gross national product; yes, 1 percent, but today it is more than 3 percent. This reflects a chronic decline in tax collection and a disorderly increase in administration expenses; thus, if we are to reduce the fiscal deficit we must attack both expenditures and taxes simultaneously. A good tax administration, as a fiscal instrument, is better than high interest rates, which, rather than encouraging the producer, only encourage the people to cheat on the government.

The treasury situation of late clearly reflects the fiscal crisis. Two years ago the government's monthly average in pending accounts -- because there were no funds -- was between 500 million and 2 billion pesos. This year it is close to 20 billion. This explains the noncompliance with contracts, bankruptcy among contractors, the pressures on bankers and other interests, the teacher's strikes -- because they don't get paid -- and why hospitals are being closed. That is why I believe that people cannot be blamed for protesting, although strikes are not the proper way to protest, for the government is seeking a way to make these payments.

In any event, this cobweb, this connection with government expenses, has caused prices to go crazy. They've gone mad, and they've done so with the aid of aggravating conditions -- like a strong wind that makes the flames spread and the fire grow larger. As I said before, we Colombians have nearly resigned ourselves to living with inflation; some of us have even learned to defend ourselves against it -- not all Colombians, but some, who were not affected by the high cost of living because they had enough, because they have money that they have not spent.

And there are enough of these people to hinder any reasonable attempt to regulate prices. This is where the administration's industrial price policies come in -- the agreements on salaries, the regulations, rates, and interests -- and the combination of all of this creates inflationary expectations. What are inflationary expectations? This is when we rush to pay any price for something because we believe that the price will soon go up. By doing so, we are institutionalizing inflation. Thus, it would be a mistake to produce economic advances at this time using the little machine that prints bills at the Bank of the Republic, because it would mean issuing currency without increasing production, which would cause a more rapid increase in prices but no increase in production. Therefore, the solution would be to break down those mechanisms and to reduce expectations, while practicing self-discipline against squandering.

During the first quarter of 1982, the balance of payments showed a deficit of more than 500 million [currency not specified] and a similar drop in international reserves. This is a fact. It is hard, but it can be dealt with. Who has the solution? You do, my fellow countrymen. We are experiencing a crisis and we must face this serious crisis together, seeking the following corrections:

First, we must recover and consolidate economic growth, with price stability and financial equilibrium.

Second, this economic reactivation will be based on the massive creation of jobs with just salaries, remunerative and fair for all Colombians.

Third, this new growth will be channeled toward the broadest sectors of our population and we will avoid, at all costs, the concentration of capital, which is harmful even for those who are responsible for it and who abuse economic power.

Fourth, a joint and unified effort will be developed between the private production sectors and the public sector, to achieve a concerted social well-being; that is, as agreed upon by all.

Now I would like to discuss the means and programs we will use to achieve the objectives I have just described.

Let us begin by talking about the anti-inflationary struggle. The stabilization of prices will be sought simultaneously in two ways -- a thorough attack on the fiscal deficit, which I have already mentioned, to rid us of this kind of threatening sword over our economy's head; and we will also try to do away with inflationary expectations by fighting the causes that promote it and that make us resign ourselves, sometimes protesting and sometimes not, to high prices. We are discovering that the fiscal solution lies in two different areas:

1. A program for total government austerity, as I said before, that will end the overflow in administrative expenses. In this regard, I set rigid expense ceilings for all government institutions -- national, departmental, municipal and decentralized institutions -- so that 1982 and 1983 expenses can be readjusted to 5 percent, in real terms, in relation to 1981. We are reducing the number of vehicles and the trips abroad and to the interior, and we have asked the various public entities to reassign their resources in order to better serve the community.

Whenever possible, we won't fill vacancies that may occur. Instead, we will reassign their (?duties). I demand that wastefulness and excess bureaucratic expenses be totally controlled. For instance, for each patient in Colombian hospitals there are six employees. Imagine that. [words indistinct] which spend huge sums in harmful or unnecessary publicity, thus divering resources that by law should be devoted to health. I have also said that I find insulting to the president's authority and may declare void increases in the government payroll through the appointment of (?additional personnel or the granting of) more contracts without prior consultation with and authorization by the presidency of the republic. In this regard, I will be adamant.

Another formula calls for increased collections and for stopping evasions through selective amendments to the fiscal laws in order to modernize them. In order to do this, we (?have created) a high-level commission to draft the pertinent legal studies. In many cases we will lower taxes in accordance with the labor (?sector's) income. I urge departmental and municipal authorities to seek imaginative and popular formulas to increase their own resources and make them yield more. The idea is to bring some order to the house. Whenever the government makes a commitment, we want it to be able to respond and fulfill it. I think this would put an end to conflicts of the type where the state [words indistinct] the public works contractors who meet their obligations, yet the government does not meet its obligations to them.

Through joint actions, I hope to eliminate elements from the budget such as the special (?exchange source), that closely resembles the operation of the little machine that prints banknotes, that is, it is a lot like printing banknotes. I also hope to eliminate or at least reduce the external loans for [words indistinct]. This has also been done, (?altering) the monetary stability.

But if the government's sacrifices, these which I am listing, are to succeed in solving the problems, they must be complemented by the coordinated action of businessmen, industrialists, merchants, workers, financial sectors, landlords and tenants. Only in this manner will we be able to break up these inflationary expectations in each area that I was referring to. As I said earlier, there will be goals for the reduction of these expectations and agreements to deactivate the time bomb of inflation. Undoubtedly, inflation is a time bomb. In this manner we would be acting simultaneously on the primary and secondary causes of monetary inflation. Moderation and control would be applied in anything connected with the printing of money.

It has also been demonstrated that any monetary policy (?that is), how should I say, (?expansionistic), stimulates the economy less than if one puts more emphasis on construction. This is so for a number of previously mentioned reasons. This is why we will channel speculative resources (?currently invested in other areas) toward construction in order to stimulate the economy more and push it more and more.

The production of foodstuffs will be based on more dynamic action by the Integrated Rural Development Program, DRI, improving marketing and establishing close coordination with the Agriculture Ministry, rather than the Planning Ministry as is being done at present. Production will also be stimulated through effective sustenance prices, the strengthening of credit and marketing, and suitable protection in the face of international markets. The emphasis in the credit policy will be on providing the agricultural sector with permanent resources in order to attend to the production, marketing and handling of supplies. Special emphasis will be placed on guarantees for so-called [word indistinct] crops, those of the small and medium peasants producers, [words indistinct] but supplying the markets. Due to the present situation created by international prices, support for agricultural exports will require firm and immediate revitalization.

On another subject, agrarian research will require very special attention. It will receive a lot of attention in order to place it once again in the important position where it belongs. We will restructure, [word indistinct] and depoliticize the ICA [Columbian Agricultural and Animal Sciences Institute]. Resources will be sought to support it within the framework of the agricultural and livestock integration plan.

A word on industrialization: Industry is ailing; there is no doubt about this. And it is ailing because the economy as a whole is ailing. There are connections among low production in key areas, high financial costs, low growth in productivity due to scarce technological innovation, the higher prices of critically important inputs, and the lack of suitable exchange support. All this has weakened the production of manufactured products. This is reflected in the increase in both legal imports -- which represent disloyal competition against our own products -- and illegal imports such as smuggling. National products were thus left unprotected, rendering the creation of jobs similarly unprotected.

The industrial strategy will be facilitated by the reactivation of the construction industry, the protection of capital goods such as machinery, the modernization of the agroindustry, support for the small- and medium-sized industry, and the use of mining and energy developments to promote industries related to the exploitation of our own natural resources in Cerrejon and in [words indistinct]

As regards the production of capital goods, such as machinery, the government will increase those credits that finance the national work added to their production. This is what economists call the aggregate value. Others call this the added value, especially in the case of sales to the public sector. The level of effective protection of this industry will be raised by increasing tariffs. We will immediately revise the global license system and that of single tariff. Control of dumping will be stepped up, especially in the case of sales to the official sector. Right now, we are revising the laws on the contracting of works, official sales and customs exemptions for the government's institutions in order to protect the technicians, the production and the national work. Everything that is national is ours and deserves our protection.

The automotive and textile industries will receive special attention. In the automotive sector, we will plan for expansion in the future by strengthening its participation in the nation's economy. As for the textile industry, as I already said, we will restore its dynamism as an industrial sector in order to eliminate the harm that has been caused by contraband.

Colombia has a very high level of [foreign] reserves and a valuable although decreasing level of diversification of exports, achieved through the selective application of controls on commerce -- well, primarily on commerce -- and the flow of capital and foreign indebtedness.

There is no indication that we will change our exchange posture as regards [words indistinct] from a regime of selective industrial protection, because international competition will continue to be regarded as a challenge to achieve greater productive efficiency, but not at the price of the paralysis or bankruptcy of the manufacturing sector. In this area, the criteria will be to prevent the abuses of protection at the expense of the consumers, while defending the enterprises that are capable of generating employment and foreign exchange.

There will continue to be incentives and spurs to exports by means of the selective application of the tax credit certificate, CAT, and by means of a flexible change that reflects local and international alterations or variations without sudden shifts, without massive devaluations of our currency. [words indistinct] to make the adjustments that keep our exports from being competitive [as heard] and we will combine protection with promotion.

The recent decline in income from abroad should be reflected in prudent imports -- listen closely -- that protect our foreign reserves. There will be no squandering of foreign exchange. We will not waste foreign exchange on superfluous luxury items for the barefaced use of the higher classes. Consequently, the premise of selectivity and prior licenses will again regulate the quantity and quality of imports without any sudden changes in the various lists of imports.

Another area of interest on the foreign front that requires comment is financing. Colombia now has a favorable foreign debt and the attitude of the financial community toward our country is one of open arms. However, that attitude could change if there is a deterioration of the balance of payments, or if there is a softening of the criteria of selection in contracting foreign loans. On this I wish to be clear; we are going to introduce new rules in order to determine what contracts would be to our advantage and guarantee that the loans are used for priority projects.

The government has taken the first steps to restore to banking and to financing intermediaries the moral solvency that the nation demands. We will guarantee a reliable public economic order that is continuous and honest.

We will create a commission to reform the intermediary systems, review anachronistic legislation and propose legal formulas that respond to the deviations of the financial sector.

We will assign goals to that organization. Moreover, there is every indication that we must promptly modernize government participation in and control over the various ways of obtaining and utilizing private savings. We will take immediate measures to better define the functions of those financial corporations that should act as true development banks in contrast with the intermediary function of commercial financing companies.

Meanwhile, the authorities will act firmly to protect the small and medium saver who today is exposed to the actions of unscrupulous financial entrepreneurs, and to see that exemplary sanctions are imposed by judges on such lawbreakers.

The government will use existing constitutional and legal instruments to restore and consolidate public confidence in and the credibility of the system. The Constitution gives the president of the republic the authority to intervene in the activities of individuals or corporations that seek to manage private savings. Well, I am going to exercise that authority, serenely, but without hesitation.

[Words indistinct] tonight I have dictated a decree, in line with paragraph 14 of Article 120 of the Constitution. It is a decree that protects the small and medium-level savers who entrusted all or a portion of their resources to institutions that betrayed their confidence and depleted their resources through abusive and illegal practices.

Similarly, we are requesting that the judges assigned to those cases apply exemplary sanctions to those who are responsible. The decree establishes that the People's Bank will purchase the credits of savers with savings and checking accounts of up to 200,000 pesos as soon as possible. For people with savings or checking accounts of up to 5 million pesos, the People's Bank will extend loans to them with reasonable repayment times, interest and guarantees. These loans will be reimbursed with the proceeds from the liquidation of the assets belonging to those organizations that were intervened by the government.

Other credits, such as [words indistinct] of depositors, savings certificates, negotiable notes, etc., which satisfactorily accredit them as savers, will be handled as follows: The first 100,000 pesos will be purchased; thereafter, the depositors will be granted loans in varying amounts up to 5 million pesos.

All of this will be done on the basis of a plan to establish a trust account that will permit the People's Bank to grant loans, rebates or cash advances to legitimate savers who were affected, pursuant to resolutions that have already been approved by the monetary board. Credits and rebates will be granted on the basis of the amount of capital owed by the organizations that were intervened, (?without considering) interest. Interest will be paid in the event that there is a surplus after the assets of the intervened organizations are liquidated. The government will immediately proceed to liquidate the National Bank. [as heard]

We are engaged in a great civic enterprise of reconstruction, the fruits of which will be enjoyed by all Colombians without distinction. I swear to you that, on my part, I am making every sacrifice, with dedication, with all my strength, to respond in kind -- because I want to do so -- to the support that you have given me. However, I need -- or rather, not I, but the fatherland needs -- participation by all of you, without exception.

Because I know my countrymen, their spirit of self-denial, their intelligence, their courage, and what they are capable of, I know that each of you will give something of yourself in this emergency. The final result will not only improve our lives, but our beloved fatherland will take its (?proper) place in history and before the world. Colombia is waiting for you. [passage indistinct]

EVENTS LEADING UP TO GOVERNMENT-CFP SPLIT

Outgoing Minister's Statements

PA040030 Quito Voz de los Andes in Spanish 1130 GMT 2 Sep 82

[Text] The decision of the Concentration of Popular Forces [CFP] to separate itself from the executive does not necessarily imply a political break, according to Public Works Minister Rafael Robles Neira, who was practically forced to resign as a result of the unexpected political action taken by his party. The minister said that the party continues to cooperate with the government. The only thing that we have done, he said, is to leave the president of the republic free to carry out the administrative adjustments that he feels would be advantageous for the country.

[Begin Robles recording] We think that the country is undergoing a difficult situation, both economically and politically, and that it is necessary to put aside all personal considerations -- and I'm speaking both as a minister and from the party viewpoint -- to allow the president to be able to handle the situation in the way he feels best. That is the only reason for our decision to make our posts available to the president.

[Question] Don't you think that the position taken by the CFP is inopportune and that it will cause the crisis to grow worse?

[Answer] No, we don't think so. We have not left the government in a belligerent way. We have simply chosen to give the president the opportunity to form a new cabinet if he sees fit.

[Question] In any case, do you think that as a result of this decision, which is already known to the president of the republic, there has been a division within the CFP?

[Answer] No, I don't believe so. There is a consensus within the party. We have told the president that the party will continue to cooperate in strengthening democracy. This does not necessarily require that we participate in the cabinet or that we be a part of the bureaucracy. We can, should and will cooperate with the Ecuadorean democratic system from any angle.

[Question] Could we know what the president said about this resignation?

[Answer] I wish to refrain on that matter to allow the authorized spokesman of the party, the supreme director, to give any information on the issue to the press. [end recording]

CFP Leader's Stand

PA060131 Quito Voz de los Andes in Spanish 1230 GMT 4 Sep 82

[Text] Rodolfo Baquerizo, president of the Chamber of Representatives and leader of the Concentration of Popular Forces [CFP], the political party that recently freed itself of responsibilities to the executive branch, has been interviewed briefly on the country's political situation:

[Begin Baquerizo recording] We have acted with absolute independence and with a clear idea of the objectives that we seek. We are completely aware of the gravity of the country's economic situation. We want and have asked for a political truce so that decisions that must be made can be made without political pressure. [Words indistinct] the country, disrupt order. It is for the very purpose of seeking peace, calm and seriousness in the decisions.

[Question] The (?resigning) public works minister has said that if the president asks the CFP to continue to cooperate in the government's administration, it will do so. What is your comment?

[Answer] Listen, we act in the country's interests. We desire tranquillity in the country. We seek the well-being of the Ecuadorean people. We don't want agitation; we don't want convulsion. For this reason, we will always be willing to work for the country, for the country's tranquillity, for the well-being of the Ecuadorean people. If that involves some sacrifice on our part, whatever it is, we will make that sacrifice. [end recording]

Government's Position

PA070227 Paris AFP in Spanish 0119 GMT 7 Sep 82

[Excerpt] Quito, 6 Sep (AFP) -- The Ecuadorean Government has decided to end the collaboration that the Concentration of Popular Forces [CFP] has been giving it since late January, Government Minister (Interior) Galo Garcia has announced. The decision was due to "the behavior" of the CFP in the Parliament's political trial of Natural Resources Minister Eduardo Ortega; it was by the CFP's votes (13 benches and the largest wing of the 69 legislators) that the minister's censure and dismissal were achieved.

According to the government minister, the resignations of Public Works Minister Rafael Robles and Social Welfare Minister Patricio del Pozo, which were tendered last week, are accepted. Furthermore, "the government hopes that, in the same way, the other ranking CFP members of the government will present their resignations for President Hurtado's consideration," Garcia emphasized.

The official spokesman said that "the CFP has no reason, pretext or valid argument for lodging a vote of censure, as it is one of the parties that was cooperating with the national government," while noting that "debates had been held with leaders of that party to establish that Minister Ortega acted in accordance with the law and as required by the nation's highest interests."

He recognized that any kind of alliance dealing with politics and with "the fulfillment of responsibilities in political affairs are, like everything else in life, subject to right and wrong." He did not dismiss the idea that the government may be ready to accept the cooperation of other political forces to replace the CFP, noting that "the president must consider the political moment" and that "timely declarations will be made on this topic."

The government's decision is based on the vote of censure of Minister Ortega in the Congress by some of the 19 legislators of the CFP, one of the four parties associated with the government; by this decision, the executive losses its legislative majority in the Congress.

BRIEFS

NEW OIL WELLS -- CEPE has announced the incorporation of three new oilfields into national production. These are (Suzuki), (Sequoia) and (Charapa) in the north-eastern region. It also announced that the (Chuchuquin) field will begin daily production of approximately 8,000 barrels in early September. [Quito Voz de los Andes in Spanish 1130 GMT 30 Aug 82 PA]

BELAUNDE, ARMED FORCES TO FORM 'COMMON FRONT'

PA032138 Havana in Quechua to Bolivia, Ecuador and Peru 2200 GMT 31 Aug 82

[Text] Armed men carrying dynamite bombs attacked the runway of the (Colonel Mendibil) airport in Ayacucho. In Cajamarca Department, armed men attacked a Civil Guard post.

It was also reported that several armed men were arrested in Ica [words indistinct]. In Lima, the newspaper EL COMERCIO reported that the arrested men are members of the Peruvian Communist Party.

Upon learning all this, President Fernando Belaunde immediately met with senior army and police officers and agreed to form a common front with them against the armed groups, which are increasing their activities throughout the country daily.

Havana on Unrest, Arrests

PA050451 Havana International Service in Spanish 1600 GMT 4 Sep 82

[Text] Approximately 150 students were arrested when police forces acting under the state of emergency enforced in Lima burst into the Peruvian National Engineering University. During the repressive action, two students were shot and wounded and others were injured. The attacked students were participating in a demonstration requesting the immediate release of their leader, (Rafael Vasquez), and the elimination of antidemocratic regulations enforced at the university.

In Lima, police forces reported that (Nelly Chavez) was arrested. She is reportedly a leader of the clandestine armed movement Shining Path, responsible for several attacks in some Peruvian departments, especially in Ayacucho.

In recent hours it was reported that on the outskirts of Huanta approximately 40 persons attacked the Irubamba farm and destroyed the buildings of an Agriculture Ministry research center.

Friday was the 4th day of the banking employees' general strike in Peru. With the strike, the employees are pressing for wage increases as well as other demands.

Lima Arson

PA032136 Havana in Quechua to Bolivia, Ecuador and Peru 2200 GMT 31 Aug 82

[Text] Unidentified people have reportedly set fire to a cotton warehouse, a tobacco business and an [words indistinct] industry in Lima. It was also reported that a huge merchandise warehouse in Callao was set on fire.

BRIEFS

LOAN APPLICATION AUTHORIZED -- A decree dated 17 August has authorized the application for a $350-million loan to the Wells Fargo Bank of California. This loan forms part of the loans the Peruvian Government will apply for this year totalling approximately $4.4 billion. Out of the $4.4 billion, $2.5 billion belong to loans authorized under the 1982 budget law, $952 million to an agreement with the IMF, $200 million to a loan with Arlabank [Arab Latin American Bank], $350 million to another loan from the Wells Fargo Bank, and the remaining $350 million to the loan the government has recently approved with the Wells Fargo Bank. The last-mentioned loan will be earmarked for financing projects such as the ones in Jequetepeque, Chirapiura, Tinajones and those currently being carried out by Electroperu [Peruvian State Electric Power Enterprise] and Mineroperu [Peruvian State Mining Enterprise]. [Lima EL COMERCIO in Spanish 19 Aug 82 p A 16 PY]

CENTRAL BANK DIRECTOR ON NEW MONETARY MEASURES

PA052024 Madrid EFE in Spanish 0234 GMT 5 Sep 82

[Text] Mexico City, 4 Sep (EFE) -- Beginning today, Saturday, two official exchange parities will be in effect in Mexico. One, known as "preferential" will be fixed at 50 pesos per U.S. dollar. The other one has been established at 70 pesos. The announcement was made in this capital by Carlos Tello Macias, director of the Bank of Mexico (Central Bank).

Tello Macias said at a news conference that as a result of the above, the former "general" parity, which at one point reached 100 pesos to the dollar, has disappeared. The official stressed that the Commerce Secretariat will apply the "preferential" parity to all imports of authorized merchandise, adding that dollars continue to be scarce in Mexico. He said this will force the government to be careful and restrictive with regard to the imports it authorizes in the future.

According to Tello Macias, only imports which are truly necessary will be authorized. These will be covered at an exchange rate of 50 pesos per dollar. The Bank of Mexico official said that the second parity (the ordinary exchange rate established at 70 pesos per dollar) will be applied to all other transactions in which currency is bought and sold as long as foreign currency is available.

Tello Macias insisted that, as established in the exchange control decree issued on Wednesday, the Mexican banking system will stop accepting deposits in dollars or in any other foreign currency. Neither will the banking system grant credit in other than Mexican currency. The Mexican peso is the only legal tender in the country. The official explained that those who own other currencies are not in an illegal situation. He stressed that they will be breaking the law only if they carry out transactions with these currencies outside the framework of the nationalized banking system.

After explaining that even though the banks have been nationalized, banking secrecy will be maintained, Tello Macias said that the margins between the sale and purchase of currencies, which had reached very high levels and resulted in unjustified profit for the banks, will now disappear.

He then went on to say that the interest that the banks will pay for new deposits will begin to decline on Monday on an average of 2 percentage points every 7 days for the next 5 weeks. Tello Macias added that the interest paid to those low-income persons who have deposited their money in so-called savings accounts will be raised from 4.5 to 20 percent beginning Monday. He also said that on Monday the commission that the banks were charging to those depositors whose checking account balances were below a certain minimum will be eliminated.

He explained that new interest rates on mortgage loans will go into effect tomorrow, Sunday. Regarding this, he said that a single annual rate of 11 percent will be in effect for all financing for low-cost housing. According to Tello Macias, this represents a reduction of up to 23 points over what is currently being charged. He later explained that the interest rate on other housing loans will be reduced by 10 points.

He added that the Mexican Government has no plans to keep the enterprises that belong to the nationalized banks which until Wednesday were in the hands of Mexican owners. Expanding on this, the Bank of Mexico director said that when the right time comes, shares in those enterprises will be put on sale through the securities market in order to democratize the country's property.

Tello Maclas said that beginning Wednesday and until final arrangements and provisions on this subject are outlined, Mexican travelers abroad will obtain a quota of $250 per person. Only once will this money be obtained at the ordinary exchange rate (70 pesos per dollar). He said the average expense per tourist this year was $325.

According to the director, Mexico is not the first country with a mixed economy to adopt such measures. He explained that many developed nations in the West -- England, Italy, France, Spain and the United States -- have implemented similar measures at various times in their histories. At present, he went on, exchange controls prevail to some degree in many of them. He said that in developing economies of such diverse orientation as those of Brazil and India, such controls are an essential part of the economic policy.

Finally, Tello Macias said that the above measures are aimed at the following objectives: strengthening the country's productive and distributive apparatus to keep the financial crisis from affecting this apparatus even more, helping curb the inflationary pressures and supporting those who have small savings and other accounts in the nationalized credit institutions.

ENVOYS TO EXPLAIN BANK NATIONALIZATION ABROAD

FL031245 Mexico City NOTIMEX in Spanish 0210 GMT 3 Sep 82

[Text] Mexico City, 2 Sep (NOTIMEX) -- Under Secretaries of Foreign Relations Manuel Tello and Jorge Eduardo Navarrete will travel to various Western European countries to explain the reasons for the nationalization of Mexican banks and its effects, the Secretariat of Foreign Relations has announced. Ambassador Fausto Zapata Loredo has been appointed ambassador-at-large to establish contact with the specialized world financial press.

The two missions were ordered by President Vose Lopez Portillo, who pointed out the importance of Mexico having direct knowledge of available economic prospects and taking advantage of them in the context of world economics.

Manuel Tello, under secretary for multilateral affairs, and Jorge Eduardo Navarrete, under secretary for economic affairs, will hold high-level meetings in France, the United Kingdom, the FRG and Switzerland. In this manner, the Secretariat of Foreign Relations said, it wants to provide a better understanding of the reasons and circumstances which led to the nationalization of private banks and to clarify the scope and consequences of the measure. The missions are also aimed at strengthening international approval and support for the economic adjustment programs ordered by the Mexican Government.

Regarding Fausto Zapata Loredo, former senator and former under secretary for the presidency, the Secretariat of Foreign Relations announced his presidential appointment as ambassador-at-large. It has been learned unofficially that Zapata Loredo's mission will begin in Toronto, Canada. There, he will establish contacts with the world financial press accredited to the IMF. Later, he will travel to New York to explain the meaning of the decree issued by President Jose Lopez Portillo on 1 September to the editors of the main newspapers in the United States.

SENATE SUPPORTS NATIONALIZATION OF BANKS

FL032015 Mexico City NOTIMEX in Spanish 1820 GMT 3 Sep 82

[Text] Mexico City, 3 Sep (NOTIMEX) -- The Mexican Senate, which today started its working session, has expressed its support for President Lopez Portillo's decision to nationalize Mexican private banks.

During an interview, Miguel Gonzalez Avelar, senator for Durango and president of the permanent Senate committee [La gran comision], said that talks will be held soon with deputies of the 52d legislative session to discuss what position will be adopted during the forthcoming U.S.-Mexican inter-parliamentary session regarding Mexican capital in the United States.

In compliance with the law, during its first working session, the Mexican Senate appointed Sen Antonio Riva Palacio as Senate secretary general and Sen Jorge Moreno Collado as Senate leader [official mayor].

EFFECTS, RESULTS OF BANK NATIONALIZATION CITED

PA060328 Madrid EFE in Spanish 2259 GMT 5 Sep 82

[Text] Mexico City, 5 Sep (EFE) -- The Mexican Association of Bankers (ABM) reaffirmed today that its members are not opposed to relinquishing the banks that were nationalized on Wednesday by presidential decree. On that day, in his sixth and last state of the nation report, President Jose Lopez Portillo also announced general exchange controls.

The ABM added that it will cooperate, as best it can, to minimize the "damage that this event (the nationalization) could cause," while emphasizing that it will also take all legal recourses at its disposal to defend its interests.

Lopez Portillo said that the decision to nationalize the banks was hard to make because, he said, it will be necessary to renew it every day in order to guarantee its success.

Meanwhile, the representatives of the 140,000 bank employees, who are now meeting to form a new union, appealed to bank customers to maintain and increase their deposits so as not to damage the country's production activity. A spokesman for the group now being formed said that every peso taken out of the banks will contribute to the loss of yet another Mexican's job.

Manuel J. Clouthier, president of the Business Coordinating Council, said that there is confidence that the nationalization of the private banks "is not irreversible" and that the Mexican Government will "reconsider."

Reports from Reynosa, on the border with the United States, indicate that all trade and business operations that Mexicans carried out in McAllen (Texas) have stopped. McAllen, which is 13 km from Reynosa, has been deserted for the last 3 days despite the fact that its shops offer goods with discounts of up to 70 percent.

In Ciudad Juarez, on the border across from El Paso (Texas) it was learned that the banks and shops in this city are devoting themselves to buying up Mexican pesos.

In El Paso, the banks have a fixed rate of 110 pesos per dollar and in the shops it varies from 110 to 125 pesos per dollar. The first currency exchange office has been opened here devoted exclusively to buying Mexican pesos.

It was recalled that Carlos Tello Macias, director of the Bank of Mexico (Central Bank) announced that as of yesterday the peso would have two exchange rates: The "Preferential" rate at 50 pesos per dollar and the "regular" rate at 70 pesos per dollar, in an effort to stop the sliding devaluation of the currency that began in September 1976.

Yesterday President Lopez Portillo urged the new directors of the 59 nationalized private banks, including 3 former finance and public credit secretaries and the present Mexican ambassadors to France and Great Britain, to perform their jobs efficiently, honestly and with nationalism, which, to Lopez Portillo, means the reorientation of the country's economy.

The closure of the country's banks between Wednesday and Friday, after the nationalization was decreed, caused a considerable decrease in the affluence of consumers at business centers yesterday and today due to the resulting cash shortage. The self-service stores, markets and groceries have been almost empty since the early hours of the day. The situation grew worse when businessmen refused to take personal checks, accepting only the credit cards issued by some of the establishments to their customers.

It should be pointed out that after Lopez Portillo revealed the nationalization of the banks, banks throughout the country closed on Thursday and Friday for purely operational reasons and to make management changes in the affected institutions, which will reopen for business tomorrow, Monday.

Unions Postpone Demands

FL030119 Mexico City NOTIMEX in Spanish 0013 GMT 3 Sep 82

[Text] Mexico City, 2 Sep (NOTIMEX) -- The labor movement will moderate its wage demands in view of the country's situation, Confederation of Mexican Workers (CTM) Secretary Fidel Velazquez has asserted. In acknowledgement of the difficult situation industry is experiencing, the CTM leader reported that the demand for a wage increase will not be made until 31 December. Fidel Velazquez called for respect and restraint in prices to go along with the moderation in wage demands.

At the same time, the secretary of the Federation of Government Workers Unions (FSTSE), Luis Jose Dorantes Segovia, said that how much the government employees will demand in wage increases might be disclosed in the next few days. Dorantes Segovia reported that he met with Programming and Budget Secretary Ramon Aguirre Velazquez and President Jose Lopez Portillo but because of the country's current financial situation, the decision was postponed for a few days.

Monterrey Businesses React

PA070304 Buenos Aires LATIN in Spanish 0036 GMT 7 Sep 82

[By Walker Simon]

[Excerpt] Mexico City, 6 Sep (LATIN-REUTER) -- The leaders of private businesses of the second biggest industrial and financial center of Mexico today exhorted all businesses to close their doors on Wednesday to protest what they said constitutes Mexico's rapprochement with socialism.

Paid advetisements in newspapers of the city of Monterrey, in northern Mexico, called upon all businesses except for drugstores and hospitals to close in protest of the recent nationalization of Mexico's private banks by the government. "This is how they started in Cuba and Nicaragua, and now they have lost all of their liberties," a full 1-page advertisement read. "The government's nationalization is limiting freedom of enterprise in Mexico. This measure will put an end to businesses," it added.

The paid advertisement was signed by 48 associations ranging from business organizations to civic groups, including the Monterrey Polo Club.

The nationalization seriously affected the Monterrey business entrepreneurs, who owned 8 of the 33 largest banks, including Banca Serfin, the third most important with assets of $3 billion.

Stoppages in Sinaloa

FL040130 Mexico City NOTIMEX in Spanish 0022 GMT 4 Sep 82

[Excerpt] Culiacan, 3 Sep (NOTIMEX) -- The Culiacan Coordinating Business Council [CCE] has reported that it held a permanent session during which the CCE decided to carry out a stoppage on Tuesday in support of a similar measure adopted by the Nuevo Leon businessmen.

Jorge Rincon Bernal, president of the Sinaloa CCE, said that the stoppage will be held to protest against the nationalization of private Mexican banks and that bank employees and all those citizens who oppose this economic measure are invited to join the stoppage.

FINANCE SECRETARY ON FOREIGN DEBT FINANCING

PA061907 Buenos Aires LATIN in Spanish 1759 GMT 6 Sep 82

[Text] Mexico City, 6 Sep (LATIN-REUTER) -- The Mexican secretary of finance and public credit, Jesus Silva Herzog, said Mexico would pay only the interest on its public foreign debt of $65 billion until the end of 1983, according to Mexican papers today. Three important newspapers said the finance secretary had told Mexican reporters at the International Monetary Fund and World Bank meeting in Toronto that the total service payment would amount to some $14 billion.

Mexico recently reached an agreement with over 200 foreign banks to defer for 90 days payment of part of the debt of approximately $10 billion, but nothing was said about what would happen after the end of the grace period. According to the information, Silva Herzog said that Mexico's decision to nationalize its banks last week could delay for a few weeks a financing agreement involving some $4 billion with the IMF, but assured the agreement would be signed on time.

Mexico devaluated its peso and introduced exchange controls in recent weeks after running out of funds to continue payments on its foreign debt, which, estimated at some $80 billion between the private and public sectors, is the largest in the world.

In Toronto, FRG Finance Minister Manfred Lahnstein told the press today that the international banking system would find itself "in extremely serious difficulties" if the IMF and Mexico fail to reach a prompt recovery package agreement.

Another important Central European banking official described the problem of the Mexican debt as "extremely serious to the international financial system." He said the nationalization of private banks could not be expected to speed up the negotiations with the IMF.

Last week Mexico reported to the banks that they may have to accept "procedural delays" in the payments of interests, and it is believed that today such arrears represent some $400 million, to be added to the anxiety provoked by the debt, the banking sources said. Mexico has asked commerjcial banks to add an additional sum of from $500 million to $1 billion as emergency aid to the recovery operation of $1,850 billion made by the central banks of the main industrial countries and coordinated with the International Payments Bank of Basel, Switzerland.

Further Statements

PA061501 Madrid EFE in Spanish 0158 GMT 6 Sep 82

[Text] Toronto, Canada, 5 Sep (EFE) -- Mexican Finance Secretary Jesus Silva Herzog declared that "the country's productive outlook has a promising future and we can look forward to it with confidence and optimism." He noted today the financial support granted by the World Bank in extending to Mexico an overall credit of $470.7 million for two agro-industrial projects and the purchase of service goods.

"The opportunity for this support emphasizes that the medium- and long-range perspective is highly favorable to our country," the finance secretary said. "We are sure that once we have overcome the short-term problems with this support," he added, "growing domestic effort and a clear orientation of our new economic policy will enable us to take good advantage of that perspective and of our country's extraordinarily attractive and promising potential."

Silva Herzog noted the opportunity that the confidence of the international financial organizations affords Mexico.

GENERAL PAREDES RESIGNS FROM NATIONAL GUARD

Resignation Letter

PA042108 Panama City Televisora Nacional in Spanish 2027 GMT 4 Sep 82

[Text of 3 September letter from Brig Gen Ruben Dario Paredes, commander in chief of the Panamanian National Guard, to Panamanian President Ricardo de la Espriella -- read by announcer]

[Text] Your Excellency Mr Ricardo de la Espriella, president of the republic.

Mr President:

In harmony with Article 164 of the national Constitution, I am fulfilling the inescapable duty of placing at your orders my position as commander in chief of the National Guard with the rank of brigadier general as of 11 September when I complete my 25 years of continuous service in our armed institute.

As you and the people of Panama are aware, since I became chief of the National Guard I have said publicly that because of the dignity placed on us as military men I would retire at the exact moment that I should according to the promotion list. This healthy Panamanian military tradition is one of the pillars that maintain and strengthen the dedication and unity of the service in the highest national interests among all the members of the National Guard.

Our nation is experiencing a moment of deep historic significance. With the complete participation of all the country's sectors, without exceptions, we have structured a period of national consolidation. I am extremely proud and satisfied because of the important role that the Panamanian armed forces have played as a balancing factor in a situation that forces unavoidable responsibilities upon our people in the search for a more promising destiny for your youth, who need positive hopes.

I have many reasons for being grateful to our armed institute for accepting me in 1957, but I owe the fact that I became a productive man for society to the trust placed in me by Gen Omar Torrijos Herrera when he designated me to lead the agriculture sector and made me aware of production problems, which helped me greatly to get a deeper vision of the fatherland.

In the same manner, as a military man and as a Panamanian citizen, I am very much aware of the special opportunity to participate actively in the great struggle of our people to recover their dignity, which was tarnished by the 1903 canal treaty. Without a National Guard like the one we have restructured since October 1968 so that it could fulfill its patriotic duty of defending our sovereignty and national integrity, this struggle would have been prolonged.

I want to express my special appreciation to all the members of the general staff and the 10,000 men and women who make up the National Guard for their constant demonstrations of trust, friendship, loyalty and respect offered me at all times. This was the greatest source of inspiration for my understanding and respectful leadership of the National Guard.

I am a firm believer in the virtues and goodness of our people, and it is to them that I would like to express my appreciation. I just want to recall the great national task that remains ahead of us, that is, to maintain and strengthen our social peace and our democracy with order, but a dynamic social peace that is productive for all sectors and an orderly, just and equal democracy based on the great national consensus.

My vocation for the fatherland, received in a humble Christian home made by a craftman and a nurse, has pushed me to give the best of myself in all the duties assigned to me and to give true value to the distinctions placed on me.

Mr President, with my respect and consideration, all for the fatherland.

[Signed] Brigadier General Ruben Dario Paredes, commander in chief of the National Guard

Guard Chief of Staff's Reaction

PA061838 Panama City Televisora Nacional in Spanish 1715 GMT 6 Sep 82

[Text] The National Guard General Command continued in session at command headquarters today to evaluate the content of the letter submitted by Gen Ruben Dario Paredes to the president of the republic, Ricardo de la Espriella. In this respect, the National Guard's chief of staff, Col Armando Abel Contreras, made the following remarks to this station's reporter, Hector Donadio Carrillo, at 0940 this morning:

[Begin recording] We have met several times since Saturday to evaluate the letter which General Paredes sent the president of the republic. I do want to explain, however, that the letter does not represent General Paredes' resignation of his post, but refers to a right he has earned after 25 years of service, as of Saturday, 11 September, to retire as member of the institution. Acting correctly and honestly, the general has proceeded to avail himself of that right; he has placed his position and rank at the disposal of the president of the republic. We have, in turn, asked the chief of state to receive us in his office today to submit our evaluation of the general's note.

In this respect, we have summoned Col Roberto Diaz Herrera, who was attending the operation 2000 maneuvers at the Rio Hato base, accompanied by Colonel Macias, to brief them on the latest developments. I believe we will be ready this afternoon to discuss the issue with the president of the republic.

Then, you will have the opportunity to direct your questions to the chief executive at the Presidential Palace. [end recording]

President's Announcement

PA062026 Panama City Circuito RPC Television in Spanish 2002 GMT 6 Sep 82

[Report from the Presidential Palace -- live]

[Text] Here is a last-minute report:

The General Staff of the National Guard in full, presided over by Col Armando Abel Contreras, chief of the National Guard General Staff, today asked the president of the republic to retain Brig Gen Ruben Dario Paredes in the post of commander in chief of the National Guard.

A 4-point document released by the National Guard General Staff states that in the face of the country's current situation, which will conclude with elections in 1968 [as heard], it is necessary to maintain Brig Gen Ruben Dario Paredes in the National Guard command.

According to the document released by National Guard General Staff, the National Guard command led by General Paredes has fallen within the framework of the guidelines established by General Torrijos. The document adds that General Paredes' personality unifies the members of the general staff, so he is necessary and they ask that he be retained in the post.

Meanwhile, President Ricardo de la Espriella said that nothing pleased him more at this point than this request by the National Guard General Staff.

The president said: Rest fully assured that I share with you the request you have submitted to me today. General Paredes will continue to be the National Guard's commander in chief.

We repeat: The president of the republic said a few minutes ago that Brig General Paredes will continue to hold the post of National Guard commander in chief.

National Guard Recommendation

PA062123 Panama City Televisora Nacional in Spanish 2043 GMT 6 Sep 82

[Document of recommendations presented by the General Staff of the Panama National Guard to President Ricardo de la Espriella at the Yellow Room of the Presidential Palace, read by National Guard Executive Secretary Lt Col Julian Melo at 2000 GMT on 6 September 1982 -- recorded]

[Text] His Most Excellent Ricardo de la Espriella, president of the republic, in his office:

Mr President: It is our honor to address you in reference to the note dated Friday, 3 September, which was presented to Your Excellency by Gen Ruben Dario Paredes and in which he places the post of commander-in-chief of our armed institution at your disposal. After holding working sessions to analyze the letter in question, we have reached the following conclusions:

1. That the Panamanian state is at this time undergoing a period of political evolution and structural change.

2. That the plan of political changes implies, and concludes with, the convocation of popular elections for the presidency of the republic by direct vote, deposited freely and legally counted, which would be a fulfillment of the firm promise made by this revolutionary process, which began on 11 October 1968.

3. That Gen Ruben Dario Paredes' leadership has been carried out within the guidelines and the plans designed by our deceased commander-in-chief, Div Gen Omar Torrijos Herrera.

4. That Gen Ruben Dario Paredes has not only been concerned over the problems and solutions of the great national masses; his personality is definitely popular within the National Guard, as well as in the country's public life.

These reasons lead the National Guard General Staff, as the top collegiate body in our military hierarchy, to request, very respectfully, that in the decision that you will make you consider our recommendation that Gen Ruben Dario Paredes be retained as commander.

Yours very respectfully, [Signed] Col Armando Abel Contreras, chief of staff; Col Manuel Antonio Noriega, deputy chief of staff and G-2; Col Roberto Diaz Herrera, G-3; Col Marcos Justines, G-4; Col Cecilio Fisher, G-1; Lt Col Angel Mina, national director of traffic and land transportation; Lt Col Julian Melo Borbua, executive secretary; Lt Col Alberto Purcell, G-5; Lt Col Elias Castillo, chief of the police force; Lt Col Leonidas Macias, supervisor of military zones; Lt Col Bernaldo Barrera, chief of the Defense and Security Commission of the Canal Zone; Lt Col Margarita Arango Ferrufino, chief of commissary and paymaster.

Paredes Remains in Command

PA062124 Panama City Televisora Nacional in Spanish 2043 GMT 6 Sep 82

[Statement by Panamanian President Ricardo de la Espriella after receiving National Guard General Staff document in Yellow Room of the Presidential Palace in Panama City on 6 September -- recorded]

[Text] Mr Vice President: Mr President of the National Assembly of Representatives; Mr Government Minister; Mr Minister of the Presidency; Col Armando Contreras, chief of the General Staff; Col Manuel Antonio Noriega, deputy chief of the General Staff; Colonels and lieutenant colonels who are members of the National Guard General Staff:

Nothing pleases me more at this time than this letter, this document, which is so responsible given the times that our country is experiencing. This document that the National Guard has presented me is so full of selflesness and esprite de corps. It demonstrates, to the country, the professionalism and responsibility of the armed institution, of which the Panamanians should be so proud.

You can be absolutely sure that the document will be accepted affirmatively, because I share the opinion that you express in it. General Paredes will continue to be commander of the National Guard, as you so responsibly requested here. We, convinced not only as president but also as a member of a government team, think that this should be so. Thank you very much, members of the General Staff.

NATIONAL ASSEMBLY AGAINST AMENDING CONSTITUTION

PA051945 Panama City LA REPUBLICA in Spanish 3 Sep 82 p3

[By Aladino A. Zambrano]

[Text] The National Assembly of Corregimiento Representatives rejects any attempt to amend the 1972 political constitution that would change the present political system and would wrest the gains achieved by our people, according to a communique issued by the people's power.

The resolution, signed by Luis de Leon Arias, president of the National Assembly of Corregimiento Representatives, expresses unrestricted support for the government headed by Ricardo de la Espriella and for the National Guard.

The resolution also calls for the unity and awareness of all Panamanians, in order to achieve a national climate of tranquillity and social peace.

Furthermore, the resolution says that in view of the latest political events, the groups opposed to the revolutionary process have intensified their offensive, distorting the statements made by the top leaders of the process. These distortions are aimed at creating the proper climate to destroy the Panamanian people's most cherished gains: the National Assembly of Corregimiento Representatives.

BRIEFS

CANCELLATION OF WEEKLY -- EL VERAGUENSE, a weekly that was being published in Santiago, had a short life. It appeared in June and has already stopped circulation. The main reason for this was a lack of financial support. [Panama City MATUTINO in Spanish 4 Sep 82 p 12b PA]

NUNCIO'S TRANSFER -- Msgr Blasco Francisco Collaco concluded his ecclesiastical mission in our country yesterday and was transferred to the Dominican Republic to occupy a similar position there. [Panama City MATUTINO in Spanish 4 Sep 82 pp 1A, 8A PA]

COSTA RICA

SUSPENSION OF CONSTITUTIONAL GUARANTEES RUMORED

PA031254 San Jose Radio Reloj in Spanish 1200 GMT 3 Sep 82

[Text] Regarding rumors circulating that the government would be willing to suspend constitutional guarantees in order to defend the country's sovereignty and stability, Foreign Minister Fernando Volio Jimenez has said the government is finally willing to face the communists' blackmail.

President Luis Alberto Monge and the members of his cabinet are firmly committed to defining who rules the country -- whether it is the great majority who voted for the democratic system, or a minority of less than 3 percent who support the communists, Volio Jimenez added. This determination is aimed at defending our democratic system and traditions at whatever cost, he pointed out.

When questioned about the possibility of suspending individual and constitutional guarantees in order to defend the country from the destabilization campaign, President Luis Alberto Monge said he would not advance any measures. The president added: What I can say is that we have the responsibility of guaranteeing to the people that their safety and rights will be defended, and in that sense the government will apply whatever the law allows and will seek the people's support to defend the democratic system.

Once again, Monge Alvarez said that there are clear indications that a destabilization campaign is being set up against the democratic system in Costa Rica.

PRESIDENT MONGE URGES WORKERS TO END STRIKES

PA031727 San Jose Radio Reloj in Spanish 1200 GMT 1 Sep 82

[Text] Costa Rican President Luis Alberto Monge issued a serious warning to communist leaders yesterday afternoon. He told them that he will not permit the country's destabilization through strikes in various parts of the country. He also issued a call to workers who are on strike at the Costa Rican Railroad Company [Fecosa] and those who are being incited to stop activities in other regions of the country. Monge told them that he will use any available legal means to prevent the communists from carrying out their campaign of destabilization.

If some workers don't listen to us, we have legal means and we will enforce the law to prevent the communists from carrying out their plans for destabilization, Monge added.

He told the workers that he would rather have them heed his patriotic call, but if this doesn't happen, the government has enough authority and will resort to legal means to prevent a destabilization. He explained that if the intervention of foreign groups in this campaign is confirmed, he will immediately go on radio and television to denounce this to the country. He added that the communists are demonstrating what he has been saying: They don't want to help in the solution of our crisis.

The railroad workers stressed that they will not end the strike they started yesterday despite Monge's ultimatum. A member of the union's board of directors said: We are used to threats from presidents and we are not scared by them. These workers are asking for a 3,000-colon salary increase, a 60-percent increase in travel allowances, the payment of workers' quotas to the Social Security Institute and that the government establish the price for staples.

Meanwhile, the strike will continue despite the fact that they are willing to talk -- a strike that has paralyzed the transportation of passengers and cargo, particularly banana shipments.

Negotiations with a committee from management will begin in Limon this afternoon, but it has not been learned if this committee is empowered to reach an agreement with the workers. One of the workers said that a 1,000-colon increase has already been granted to them, but there are still 2,000 colones pending. In addition, he said, the workers could have problems with the Social Security Institute and the Popular Bank because Fecosa is not paying the workers' quotas.

Monge on 'New Problems'

PA031416 San Jose LA NACION in Spanish 25 Aug 82 p 4A

[Excerpt] The president of the republic, Luis Alberto Monge Alvarez, yesterday told the Chamber of Industries that "in the coming weeks we will have new problems caused by communist leaders." The chief of state met with the industrialists to learn of the problems confronting them and try to find the mechanisms to make effective the policy of "more production and more exports."

The president explained that in the face of the difficult situation affecting the country, the communists promote strikes, "thinking such actions will improve the situation." He admitted that "some workers defend themselves from the Marxist demagogy. I am grateful for their attitude because I am aware of the distressing moments affecting them. They realize that the communist way is not the path that will lead us to progress."

There are some democratic labor leaders, he added, who support their idea for overcoming the crisis, "but when the time comes to act, they let themselves be blackmailed by the communists. Some leaders are afraid of the Marxist leadership and threats."

"We will have problems with them in the coming weeks. I hope not, but the fact is that communism does not want us to overcome the crisis; they want it to become worse and increase poverty even more," he emphasized.

"They," the president added, "want to turn the crisis into a battle of classes and blame the businessmen for the situation and call them exploiters."

He added that he is not an anticommunist preacher; that he had always warned against these Marxist tactics, but that he never expected to have to reiterate such charges, made throughout his political career, while he was president.

"They exploit an unfortunate moment, claiming the existence of what they call the objective conditions to trigger a class struggle," he noted.

Legislative Assembly

Monge said he is not asking for support of a de facto government. "It is improper for the Legislative Assembly to take up to 2 months to approve laws the country needs, such as the reform of the Central Bank law."

"We are confronting measures that should be enforced within 24 hours, but which must be submitted to the Legislative Assembly to be dealt with at its leisure."

He recognized that the nation is not prepared for the de facto government suggested by some in order to create more order. "Other countries have laws to put into action at times of crisis," he said.

However, he added that if such a bill should be sent to the Legislative Assembly here, it would trigger a confrontation and a debate that would never permit its approval.

"We are working in the midst of a crisis without special powers, but with the support of the Costa Rican people who truly love their fatherland I am resigned to keeping a stiff upper lip," he said.

Thankfulness

Monge expressed his gratitude to the Chamber of Industries for its support of the policies being promoted by his government to overcome the crisis and keep terrorism and other calamities of the area from engulfing our country.

"This story by communists that you are all right [as published] is a lie; I feel that the more they corral the businessmen, the greater will be the misery that will affect the country," Monge told the industrialists.

EL SALVADOR

CUBAN JAMMING OF U.S. STATIONS HEARD LOCALLY

PA052243 San Salvador LA PRENSA GRAFICA in Spanish 4 Sep 82 pp 5, 38

[Text] Cuba's interference with U.S. radio stations is being heard in El Salvador on various medium-wave frequencies of very high power, causing heterodyne or "whistling" on local stations' frequencies.

Beginning at 1700, the Cuban radio transmissions are heard regularly. Their transmissions are confused with the signals of the San Salvador stations.

The intensity of the transmissions varies, depending upon where they are heard. The interference can be heard more clearly at dusk and when there is a clear sky.

It has been reported that in the last few days, strange noises have been heard on various radio frequencies in San Salvador. Presumably they come from "carriers," which are signals without sound intended to jam the U.S. stations.

According to technical data, a 100 kw mediumwave radio station can cover the entire Central American area. It is believed that the signals heard in San Salvador are generated by powerful transmitters, with even greater power than that just mentioned.

ELECTRIC POWER REESTABLISHED IN EASTERN ZONE

PA052247 San Salvador Radio Cadena YSKL in Spanish 1826 GMT 4 Sep 82

[Text] Electrical power was reestablished in the country's eastern zone on Friday after having been suspended for 6 days as a result of a dynamite attack. Lempa River Hydroelectric Executive commision [CEL] sources reported that the damage done between San Rafael Cedros and Santo Domingo, which had caused the blackout in the eastern zone, was repaired in a relatively short time, given the gravity of the damage sustained by the electric power transmission system. What must be lamented in cases like this is that the press and public relations offices of the CEL never know anything about the organization's problems, just as occurs with similar offices in government institutions.

ARMY BEGINS COUNTERINSURGENCY OPERATION IN APOPA

PA060021 San Salvador DIARIO LATINO in Spanish 3 Sep 82 pp 3, 16

[Text] Intense battles between army troops and the subversive groups that operate between the towns of Apopa and Nejapa, 10 km north of San Salvador, continued today.

Military sources said that another counterinsurgency operation began yesterday in that area, which is infested by groups of extremists who come down from their camps in the mountains to stage ambushes and terrorist actions.

A military spokesman said that the military operations encompass a large area of Apopa and part of Nejapa. The cantons of Joya Galana, Tres Ceibas, Camotepec, El Sitio, El Zapote and San Nicolas and the El Sarten, El Bonete and Nejapa mountains have all been sites of various battles.

The spokesman said that at 1130 yesterday, near Joya Galana, the subversives machinegunned a Salvadoran Air Force helicopter that was trying to locate camps in the area. The helicopter was attacked twice with machinegun fire, but was not damaged.

The spokesman said that after this action by the extremists, the location of the subversive camps were bombed, particularly in the mountainous area of San Nicolas, Joya Galana, Mapilapa and Nejapa, where well-established camps were detected.

The El Sarten and El Bonete mountains were also bombed by the air force. It is believed that the guerrillas sustained several casualties there.

The spokesman reported that intense artillery fire from the 1st Infantry Battalion could still be heard this morning in the sector where the counterinsurgency operation is taking place.

ARMY SPOKESMAN REPORTS SAN VICENTE CLASHES

PA061516 San Salvador LA PRENSA GRAFICA in Spanish 27 Aug 82 pp 2, 43

[Excerpts] San Vicente -- It was reported yesterday that seven soldiers were killed, six wounded and one kidnapped in a bloody incident. The soldiers were members of the 2d Company of the 5th Infantry Battalion. The power of the clandestine groups and the recovery of armament, supplies and ammunition. [sentence as published] All of this was officially reported.

A military spokesman said that the day before yesterday at 0930 a subversive group that was hiding in the hills killed seven soldiers, wounded six and kidnapped one in the place known as "La Cayetana," south of the military base of Paz Opico, when it set off seven Claymore mines. The spokesman said that five heroic soldiers then repelled the attack and routed the extremists.

The Operation Continues

It was also reported yesterday that the second phase of the "Lt Col Mario Azenon Palma" operation continues southwest of San Vicente, particularly in Hacienda Guajoyo, San Jacinto, Marquezado, San Bartolo, Ichanmico, San Nicolas Lempa, Tecoluca and the slopes of the Chichontepec volcano.

The military spokesman reported that 60 terrorists died at the beginning of the operation and that another 10 died night before last as a result of a well-directed ambush near the Injiboa [not further identified]. There, the authorities seized an HK-21 machinegun, explosives and much ammunition, disguises, etc. It has also been reported that three soldiers who were kidnapped during an insurgent action at the Paz Opico military base have been rescued. Four other soldiers were also able to escape from the extremists but they have not yet reported to the military barracks.

The following peasants have been presented in connection with the army's "Mario Azenon Palma" counterinsurgency operation: Armando Lainex Valladares, 15, of the Peoples Liberation Forces FPL; Rosa Elvira Rivas, 22, of the Revolutionary Party of Farmworkers, PRTC; Teresa Guzman Canas, 13; Eva Portillo, 35; Miguel Angel Duran, 72, of the PRTC: Jesus Cordova, 32, of the FPL and his four children; and three unidentified orphans. The orphans were in cusody of various organizations; their health is delicate due to malnutrition and they are receiving special medical attention. They have said they are very thankful to the armed forces.

MAGANA 31 AUGUST SPEECH ON POLITICAL COMMISSION

PA011445 San Salvador Domestic Service in Spanish 2336 GMT 31 Aug 82

[Speech by President Alvaro Magana Borja at the honor room of the Presidential Palace while installing the government's political commission -- live]

[Excerpts] In the advance toward stronger democracy which El Salvador began on the historic date of 28 March this year, this afternoon marks the beginning of a new phase toward realizing all those objectives of national unity and peaceful coexistence so courageously and patriotically expressed by Salvadoran people in casting their ballot.

After 122 days of existence for this government of national unity which I am honored to head, we must meditate over the fundamental changes which have taken place in the mentality of the Salvadoran people and their government. I am convinced that during these 122 days we have witnessed the rebirth of a state of trust which the Salvadorans had nearly lost altogether in the past few years. The beginning of this month of our national independence finds us with difficulties, but with great confidence in the future.

The foundation of the government of national unity is now consolidated. This initial phase, criticized by some but supported by the great majority of Salvadorans, was possible thanks to the high spirit of understanding evidenced by the leaders of the various political parties.

In fulfilling my commitment to the Salvadoran people when I assumed the presidency on 2 May, we have in agreement with the vice presidents of the republic and the representatives of the political parties prepared and signed the basic platform of the government of national unity, now known as the Apaneca pact because it was signed in the city of Apaneca, Ahuachapan Department, on 3 August this year.

The document adopts the basic objectives of the government of national unity, which were points of concurrence of all parties during the electoral campaign. These were pacification, democratization, human rights, economic recovery, reforms, trust and security and stronger international relations. To begin the path toward national reunion and the moral and economic recovery of the nation, the basic platform provides a program of immediate action with the creation of three national commissions; a Political Commission, Peace Commission and Human Rights Commission. These commissions will receive full support of the government and of all the political forces that want peace, democracy, social justice and full enforcement of human rights for our people.

These commissions will be closely related. The progress of their vigorous and sustained work is the only formula to fulfill the people's aspirations, which we have adopted as the objective of the government of national unity.

The Political Commission, responsible for coordination, execution and enforcement of the basic platform, must draft a number of political, human and economic goals and prepare guidelines for the basic action of the other commissions.

The structure of this commission, in this solemn ceremony, must be considered a historic commitment by the parties involved. The political parties will strive together to attain the objectives fixed in my inaugural speech. The executive branch is not eluding its responsibilities, but sharing efforts in showing the path to all Salvadorans. That is why the executive branch, through the president, the vice presidents and the cabinet, at this moment commit themselves formally to guide political activities within a climate of national consensus.

The Peace Commission must promote the foundations for the nation's pacification through adequate mechanisms that will expedite social concord and the nation's reunion. At the same time, it will further the incorporation of all political and social sectors to a process of peace, generating the broadest possible communication among all sectors and members of Salvadoran society, and will strive to bolster national awareness of the need to actively participate in the search for peace and democracy.

The Human Rights Commission will promote, protect and give full enforcement to these rights, watching over their unrestricted protection in all social and political sectors of the country, while encouraging national awareness of this as the irreplaceable basis for a truly just and democratic society in which respect of such rights becomes the best guarantee to attain and preserve social peace and harmonious coexistence.

Members of the Political Commission: In installing you in office in my capacity as president of the republic and coordinator of that commission, I wish to emphasize to you that the most important duty of this commission is to carry out activities that lead to achieving the objective of democratization as outlined in the basic platform.

The first step ordered in that platform is the drafting of a timetable listing the dates on which events of the greatest importance for the development of our democratic process are to take place, events such as the appointing of a central elections council, the devising of legal procedures and electoral mechanisms, the holding of municipal elections, the holding of presidential elections and the transfer of executive power from the present temporary regime. This timetable will have to be completed no later than 30 September this year.

On assuming the duty of member of the Political Commission, of which I am coordinator, I am aware of the serious responsibilities that this entails, and of the importance of our work. For my part, I pledge to dedicate my greatest efforts to achievement of the patriotic objectives of the mission that we begin today. I am sure that you members of the commission share this feeling of historic responsibility and, in view of your great civic merits, the Salvadoran people expect you to provide adequate political guidance to successfully complete the process of democratization, pacification and humanization on which we have embarked.

Compatriots, in concluding my inaugural speech on 2 May of this year, I stated that a new era of our country's history has begun. We are writing the pages of that history. Success of the efforts of this new kind of government of national unity depend on our efforts, understanding and spirit of sacrifice.

Now, 122 days later, I can say with great satisfaction, as can all Salvadorans; we have advanced. We began on 28 March; we continued on 2 May, and now, on 31 August, we have established the bases of our efforts to continue, with faith in God, the march toward the high historical destinies of our nation. Thank you very much. [applause]

GENERAL GARCIA GIVES ARMED FORCES ANNUAL REPORT

PA021247 San Salvador Radio Cadena Sonora in Spanish 2210 GMT 31 Aug 82

[Distributed by Inter-Central American Radio Organization; Salvadoran Defense and Public Security Ministry's annual report, read by Defense Minister Gen Jose Guillermo Garcia before the Salvadoran Constituent Assembly on 31 August -- recorded]

[Text] The armed forces, apolitical and fundamentally obedient, are the national institution appointed to defend the integrity of the territory and the sovereignty of the republic and to maintain public order, enforce the law, and guarantee constitutional rights.

In the current process within the Salvadoran Armed Forces, one of the most important moments in its institutional life is being experienced. I am referring to the armed forces' proclamation, to the exact moment when the Salvadoran soldier had to accept the challenge of history and to serve his country, aspiring toward a new destiny.

Constituent deputies, based on the constitutional order of 15 October 1979, the armed forces launched its proclamation, the guidelines of which are as follows: An end to violence and corruption, guaranteed respect for human rights and for free and democratic elections, the adoption of measures that will lead to an equal distribution of the nation's wealth, and positive guidance of the country's foreign relations.

The armed forces' proclamation was the reply to the people's desires. It is being fulfilled, as we are discharging the obligation to maintain public order, to struggle against violence and to seek peace and tranquillity for all Salvadorans.

The armed forces follow the national unity government's policy. They firmly support the efforts in international relations, particularly the fraternal links with friendly armed forces.

The Salvadoran Armed Forces, aware of their duty, responding to the aspirations of the people and understanding the people's clamor; support, with their proclamation, the firm foundations for initiating the process of structural, agrarian, banking and foreign trade reforms. I reiterate to you, the representatives of the people, that the armed forces support and will continue to support those reforms.

El Salvador has been the victim of misinformation, in that the truth about the struggle being waged by our people in defense of the democratic and representative system has been distorted. I want to express, before this national Constituent Assembly, the armed forces' strict support for respect for human rights, which are the foundations for the Salvadoran troops' actions intended to maintain a legal state in the republic that will guarantee freedom and justice. This is recognized by the people, who have witnessed our efforts to achieve a government legitimized by the people's vote, which the armed forces supported on 28 March 1982, through the legally registered political parties.

The Salvadoran troops have spilled their blood and have made the utmost sacrifice on the battlefields in defense of the people's aspirations. We regret the kidnapping of Col Francisco Adolfo Cartillo, who continues to be absent from the armed forces and from his family despite the efforts exerted to obtain his release. We hope that organizations concerned with human rights will undertake the appropriate efforts to secure his return.

Military Aspect: Personnel, Troops

In the current situation, which cannot be considered normal, the armed forces have had to increase their cadres, strengthening their organization with new specialized units. Due to the situation of conflict in the country, the armed forces must express regret as the loss of valuable members of various units in the period with which this report deals; killed in action; 3 colonels, 2 lieutenant colonels, 3 majors, 5 captains, 7 lieutenants, 19 second lieutenants, 1 cadet and 1,033 NCO's and enlisted men. Wounded: 1 colonel, 4 lieutenant colonels, 8 majors, 15 captains, 29 lieutenants, (?60) second lieutenants, 2 cadets and (?2,475) NCO's and enlisted men. Missing: 1 colonel, 3 lieutenants, 1 second lieutenant, 1 cadet and 138 troops. Of those wounded in action, 1,650 at various ranks have recovered. Nevertheless, we regret that 135 are seriously disabled and that 799 are still recovering.

These figures reflect the armed forces' high sacrifice in defense of the fatherland's interests.

During this period, the defense and public security branch, through the autnomous Armed Forces Social Welfare Institute, has granted the following aid and benefits:

Aid: 394 pensions for 1,607,841 colones; 606 retirement funds in the amount of 3,378,726 colones; 1,016 life insurance policies in the amount of 15,543,931 colones; 519 funeral expense subsidies in the amount of 373,416 colones. These figures add up to a subtotal of 20,908,914 colones.

Benefits: 265 housing loans in the amount of 8,689,954 colones; 3,227 personal loans for 8,643,708 colones; and 258 land grants totalling 250,750 colones. This gives us a grand total of 38,493,326 colones.

Discipline, law and order: Within the disciplinary regime and in accordance with the republic's laws, regulations and orders, the armed forces sanctioned members of different corps for violating the legal statutes as follows; 13 chiefs and officers, 1 cadet and 90 troops, a grand total of 104. The faults and crimes committed were: (?homocides), rapes, breaking and entering, injuries, illegal actions, blackmail, etc. These personnel were turned over to judicial and military authorities for trial. In addition, (?722) armed forces members were discharged for various serious offenses.

Operations: During this period, the armed forces carried out 20 main (?pacification) actions throughout the country, implementing the theory and practice learned in professional training schools in the country as well as abroad. These actions were very beneficial for the armed forces and the country.

1. Increase the Armed Forces: In the present situation and in the face of this struggle against subversion and terrorism, we have modernized the physical means and increased activities by 80 percent. This demands greater logistical attention.

2. Cost and Information: National defense is not only the duty of the armed forces, it is the responsibility of all the people. Messrs deputies, the war is expensive everywhere and it is won with men, weapons and money. Regarding this, I must reiterate that the cost to train and equip a soldier is high. Therefore, I must note that these costs couldn't have been covered with the amounts assigned from partial budgets from the defense and public security sectors. These costs are possible through the decided cooperation of friendly countries.

Budget and Investment: Several projects have been carried out in the country. We have remodeled and built military installations for about 17,950,622.89 colones. The projects that are under construction and remodeling in the various military installations amount to 22,434,624 colones.

Messrs Deputies: I have reported on the increase of the Salvadoran Armed Forces, in units as well as in men. This calls for human, material and financial resources that permit the satisfaction of needs inherent to the process and military security. As the person who is directly responsible to the president of the republic and general commander of the armed forces, as well as to the nation, and in view of the level of efficiency of the armed forces, I want to ask you for your definite support to provide everything that is necessary to carry out effective action in peace and war.

We are living in an area affected by the hegemony of two systems in conflict; the democratic system and the communist system. This situation has made the Salvadoran Armed Forces a bastion of Latin American democracy. The challenge is big, we are fighting powerful international interests, and in our country, the main scenario and the (?future) of the struggle in Central America. [Words indistinct] and the armed forces will fight against this enemy until the maximum sacrifice.

The holocaust will be great, and without thinking of military glory, the armed forces are fighting convinced that their struggle will preserve our traditions, our faith in God, our liberty and the unity of the Salvadoran family. The parents, relatives and friends of our soldiers who have been killed in action can rest assured that we will win, because we deserve victory and have the capacity for it and especially because God is with us. To die for the homeland is to become immortal. Courage and kindness are and will always be recognized by the homeland.

Messrs deputies, I have presented my report and I am willing to answer any questions you may want to ask. Thank you.

PCN HEAD ANNOUNCES NEW EXECUTIVE COUNCIL

PA042011 San Salvador Radio Cadena YSKL in Spanish 1805 GMT 3 Sep 82

[Excerpts] The National Conciliation Party [PCN] met throughout yesterday morning and into the afternoon to elect a new executive council. The event took place behind closed doors.

This morning PCN Secretary General Raul Molina Martinez and other members of the PCN Executive Council held an important news conference on which we will report. This is what Mr Molina said regarding the reasons that led to the election of a new PCN Executive Council yesterday.

[Begin recording] This is the composition of the Executive Council: Raul Molina Martinez, secretary general; (Pio Arnulfo Ayala), secretary of organization and administration; (Arturo Ramiro Mendez Arraz), secretary of legal affairs; (Benjamin Wilfrido Navarrerte), secretary of economic studies; (Hugo Roberto Carrillo), secretary of ideology and political studies, Dr (Francisco Jose Guerrero), secretary of communication and propaganda; (Martin Francisco Saldivar), secretary of agrarian affairs and community development, Dr (Armando Rodriguez de Guisada), secretary records and agreements; (Natalio Saleverria Matis), secretary of agrarian affairs and development [as heard]; Dr (Igor Rubio Moran), secretary of trade union and cooperative affairs; and Mrs (Betty de Rivas Duran), secretary of women's affairs.

This is the Executive Council that will lead the party for 3 years beginning yesterday. [end recording]

GROUP WITHDRAWING FROM PCN; PLANNING NEW PARTY

PA060112 San Salvador Radio Cadena Central in Spanish 1811 GMT 4 Sep 82

[Excerpt] Despite the unity that PCN leaders claim for their party, it has been learned that a group of its members, led by Col Escobar Garcia, will leave the party to establish a new political party. The growing contradictions in the former ruling party were made evident during a meeting on Thursday in which the Escobar Garcia supporters and followers were left out of the party leadership. Escobar Garcia's supporters accused the PCN leaders of committing the same errors as those of the past, such as [words indistinct], as well as of forming shock groups. The PCN was the party that took four military officers to the presidency from 1962 to October 1979, when Gen Carlos Humberto Romero was overcome by a coup d'etat.

Colonel Escobar Garcia said that he has dedicated a good part of his life to the PCN, but that he now feels free to choose a new path, so that he and his friends can do their best for El Salvador, thus leaving implicit in his statement the possibility that a new party will be established.

RADIO VENCEREMOS REPORTS ON FMLN ACTIVITIES

FMLN Protests Arrests

PA021230 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 31 Aug 82

[Text] The FMLN reveals to our people, the Honduran people and other peoples of the world that on Sunday, 22 August, "Cobra" units of the Honduran Army captured eight individuals; seven of them Salvadorans and one Honduran. All of them were members of the FMLN. Several of these companeros were in transit through Honduras, and the others were carrying out support work connected with the solidarity with our people. So far, none of the companeros captured on Sunday, 22 August, in Tegucigalpa have been turned over to the courts. For this reason, the FMLN demands that the Honduran authorities respect the physical and moral integrity of the eight companeros. The FMLN also demands the immediate disclosure of their whereabouts and present situation.

Regime Casualties Reported

PA022333 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 1 Sep 82

[Text] Our companeros at the Francisco Sanchez Southeastern Front have sent us the following military report:

On Saturday, 28 August, FMLN forces ambushed an enemy column composed of some 300 men from the Belloso and Atlacatl Battalions. They were going from (Zuleta) Canton to El Pilon, on the banks of the Lempa River, after participating in an enemy invasion of several areas in San Vicente Department. The fighting, which began at 0930, lasted 2 hours. The enemy was taken by surprise, at a range of only 10 meters, with rifle and M-60 machinegun fire. A total of 25 casualties, including dead and wounded, were inflicted on the enemy. One of our men was slightly wounded.

At 1000, an FMLN unit patrolling the coastal road discovered an enemy patrol posted on the (Tres Calles) turn-off, at km 86. Our unit launched a harassment attack at a short distance from the enemy. Taken by surprise, the enemy scattered toward Tierra Blanca.

This military report was signed by the Joint Command of the Francisco Sanchez Southeastern Front at (San Agustin Tres Calles).

FMLN Releases Prisoners

PA022337 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 1 Sep 82

[Excerpts] Radio Venceremos, the official voice of the FMLN, is now broadcasting from the town of Mozote, in Morazan Department, to transmit the ceremony at which the FMLN will release 52 prisoners of war captured on the battlefields of the Francisco Sanchez Northeastern Front. Present here at El Mozote are Commander Claudio Rabrindranath Armijo, third in command of this war front; and Companera Commander Ana Guadalupe Martinez, another northeastern front representative.

On behalf of the Francisco Sanchez Northeastern Front's Command, Commander Martinez has addressed the prisoners of war who are being released. According to her, of the 52 prisoners of war released, 12 have decided of their own free will not to return to their headquarters or to leave these controlled territories. These 12 Salvadoran soldiers have made the brave decision to stay in these territories and to join the revolutionary FMLN army, to defend as they themselves have put it, their people's cause.

The remaining 40 prisoners of war will leave shortly under the protection of the International Red Cross.

Death Squads Kill PDC Members

PA031410 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 3 Sep 82

[Text] Death squads have killed (Rosa Maria Moreira), a teacher who was a member of the Christian Democratic Party, [PDC], in Chinameca, San Miguel Department. PDC party leaders reported that 20 of their members have been killed in the past few days.

Solidarity Front Meeting

PA051545 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 5 Sep 82

[Text] The World Front of Solidarity with El Salvador will meet in Managua for the specific purpose of mobilizing the peoples of the world against U.S. intervention in the area. The solidarity front is made up of representatives of 32 countries. The representatives include professors, priests, intellectuals, artists and journalists.

Andreas Fagrebas, secretary of the front, pointed out that any intervention in El Salvador will be considered an invasion of Nicaragua [as heard], which will mean the intervening forces will have to face all the revolutionary forces of Central America.

New Army Operation

PA051955 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 4 Sep 82

[Text] Attention! Radio Venceremos wishes to make the following announcement:

The FMLN intelligence service has been able to establish that the national army is currently preparing a large-scale operation against the areas of Cerros de San Pedro, San Vicente, and the northeastern part of the country. Troops have already been concentrated in Cerros de San Pedro while a similar operation is scheduled for Monday, 6 September, in the southeastern area of the country.

Our intelligence has also revealed that the government forces plan to advance by night in order to take the civilian population in these communities by surprise, because the main objective of the operation is not to engage our military forces but to attack the defenseless civilian population. The plan is but another phase of the scorched-earth tactic designed to exterminate our social forces inside and outside the areas under our control.

We remind national and international public opinion that only a week ago, between 18 and 23 August, government forces staged a similar operation in the same area of Cerros de San Pedro. Several hundred civilians were killed. Following that operation, the defense minister, Gen Jose Guillermo Garcia, publicly announced the continuation of what he termed Operation Cleanup.

We call attention to the fact that it is precisely now when U.S. President Ronald Reagan has certified before Congress that the Salvadoran Government and Army have made significant advances concerning respect of human rights that these practices of massive extermination against the Salvadoran people take place, massacring humble peasants. We reiterate that such attacks are not directed against our military forces but against the civilian population.

We urge the international press and the nations of the world to take note of these new genocidal plans of the Salvadoran dictatorship.

Bombing of Towns Charged

PA052020 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 4 Sep 82

[Text] We have received information from San Salvador Department reported that on 2 September at 0600 hours, the enemy bombed the delta area of the main northern highway from Apopa to Quezaltepeque and mobilized approximately 1,500 troops. Early in the morning, the enemy combed the cantons of (Tepulsepeque), El Bonito, Las Lomas, Tres Ceibas, El Sarten, Joya Grande and Los Naranjos. The enemy captured and massacred the civilian population of these communities. In the afternoon, three A-37 planes, a helicopter and a light plane bombed and strafed the communities of El Sarten, Joya Grande and Las Lomas, located only 2 km from the city of Apopa, threatening the population of the area.

The attacks caused a large number of casualties and caused the population to abandon the area and their belongings, claiming that the bombings would continue indiscriminately. The information was received from the San Salvador Department, signed by Companero (Moises Moran).

GUATEMALA

DEFENSE MINISTER VIEWS ON PACIFICATION, U.S. AID

PA041545 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 2 Sep 82

[Passages in quotation marks recorded]

[Text] Gen Oscar Mejia Vicotres, who took over today as national defense minister, has said that he will make no changes in the armed institution: "I don't think it will be necessary to make any changes. Right now, all of us are involved in the mission to pacify Guatemala, and I believe that it will be necessary to change neither the cadres we have now nor those that we have been developing."

Minister Mejia said that he has no official report on U.S. military aid for Guatemala, and noted that if there is to be any assistance from that country, he expects to receive that information from the U.S. ambassador:

"We expect that the U.S. ambassador would tell us officially so that we may exchange opinions and see in what the military aid consists. It would be useful because, like it or not, an army has to make progress, and military aid from a country, from a power like the United States, helps a nation's military development. Helicopter spare parts is one of the subjects we have been discussing. We also have to change the armament. There is also the training of officers, having them go to U.S. schools to learn new techniques."

The new defense minister said the army is trying hard to pacify the country: "There are projects, plans to be carried out as time goes by. Our mission is to pacify Guatemala. We are doing it. Once we pacify Guatemala, we will then prepare ourselves to maintain security in the country to always live in peace and harmony as good guatemalans.

"Our mission requires the integration of all Guatemalans. We must do away with the words indigenous and Indian because we are all Guatemalans and like everybody else we have to respond. We have no alternative other than the one we are implementing; providing security and development for all parts of the country."

Finally, the minister gave his opinion on the latest peasant massacres: "This is definitely a result of the pressure put on the subversives who have practically become criminals. Our humble people are paying the piper for the ineptitude [of the subversives] and efficiency of our units."

POLICE PUBLIC RELATIONS CHIEF RESIGNS ABRUPTLY

PA060355 Guatemala City PRENSA LIBRE in Spanish 3 Sep 82 p 2

[Excerpt] Oscar Alcides Ragastume Martinez, public relations chief for the National Police, unexpectedly resigned from that post yesterday. Sagastume Martinez had taken office only 15 days ago. The reasons for his resignation are unknown.

Unofficially sources indicated that his resignation could have been caused by the harsh criticism he received during his short stay in that post. Various news media were charging that, without any justification, he established restrictive measures against the newsmen who cover that source.

SUBVERSIVES KILL 24 PEASANTS IN CHIMALTENANGO

PA030351 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 1 Sep 82

[Excerpt] The violence in central Guatemala grew worse yesterday. In Chimaltenango Department, 24 people -- women, children and elderly people among them -- were killed yesterday by alleged terrorists. An army officer described how the attack took place and noted that the extremists, who were armed with sophisticated weapons, did not give their victims a chance to defend themselves. He said: [Begin recording] [Army officer] the attack was perpetrated by the subversive criminals at 0100 on 30 August. They massacred 24 people, including women, children and some elderly people.

[Question] Did they defend themselves?

[Answer] They defended themselves with what they had; some shotguns, .22-cal rifles and machetes. However, these people arrive looking for blood and carrying sophisticated weapons, like M-16 rifles. They even used some M-79 rifles against defenseless people, giving them no chance to defend themselves. The townsfolk were devoted to their work and farming activities and did not expect an attack like this. [end recording]

The officer said the survivors will be organized into civil self-defense patrols and will receive the required weapons to fend off future attacks.

He said: [Begin recording] Naturally, in view of the massacres being staged by the subversive criminals, and at the request of the population, we think it is necessary to organize them into civil self-defense patrols. As you can realize when talking with them, they are asking for security rather than government assistance. They want to be able to work their land and to live in peace. These extremists have come to our country to create insecurity among these people, to force them to provide aid, and to steal their food. What the residents want is security. We are now organizing them and we will give them weapons to protect themselves from the subversives. [end recording]

The officer added that combing operations are being conducted in the troubled areas, along with civic work to reconstruct the damaged towns. He said:

[Begin recording] We now have a special strategy and a program for troubled areas. This plan includes purely military operations, to control and hunt for the armed elements and for the commanders, who have been trained abroad. In addition, we have drafted a policy to develop all villages in these areas. [end recording]

The officer noted that most victims are women and children, because it is they who have the least chance of escaping when the subversives attack. He explained: [Begin recording] The Sargento canton is within the village of (Barituc). (Barituc) has several cantons, including the Sargento and the Chuisac canton. The extremists attacked the outskirts of (Barituc) on 30 August. We are now at the Sargento canton.

[Question] Are only men among the dead?

[Answer] No. Most of the dead are women and children because, unfortunately, when a massacre like this begins at night, those who cannot run or defend themselves are the women and children. So they are the ones who are massacred. It looks like the subversives think it heroic to kill women and children. [end recording]

More on Guerrilla Actions

PA041704 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 3 Sep 82

[Text] A group of terrorists today tried to occupy a canton in (Toyabaj), Quiche, but the local civil self-defense patrol repelled them. There were five dead and three injured, all from the civil defense unit, according to army reports.

The official reports states that at 0100 today, a subversive group tried to occupy (El Infiernito), in (Toyabaj), but the self-defense patrol repelled the subversives. The attackers reportedly sustained some casualties, although this could not be confirmed. The report adds that five of the civil defense patrolmen were killed.

(Gilberto Osorio Marroquin), mayor of Patzun, Chimaltenango, has been shot to death by unidentified persons who were waiting for him near the town's health center.

Military Commissioner (Jose Armulfo Aguilar Ramos) died after being attacked by unidentified persons, while his brother (Adelaido Aguilar Barrios) was injured. They were attacked in Ocos, San Marcos.

Killings, Property Damage

PA060047 Guatemala City Cadena de Emisoras Unidas in Spanish 1230 GMT 4 Sep 82

[Text] Subversive groups staged a new criminal attack yesterday when at 2100 they entered the Agriculture Ministry's (Capanja) agricultural center in La Pita municipality, Alta Verapaz Department, leaving destruction and death in their wake. During this attack, the subversives killed (Carlos Millan Cantoral), administrator of this center, and (Hugo Vidal Requena), a clerk there. They then burned the center's main building, three additional buildings, a vehicle and two generators. A preliminary estimate of the damage indicates that the losses total more than 100,000 quetzales.

EGP REPORTS INFLICTING 135 CASUALTIES ON ARMY

PA041312 Havana International Service in Spanish 1800 GMT 3 Sep 82

[Text] In actions between 6 July and 14 August, combatants of the Guatemalan Poor Peoples Guerrilla Army, EGP, inflicted 135 casualties on the government's troops, including dead and wounded.

The EGP, member of the Guatemalan National Revolutionary Unity, reported in a communique that, during this period, it staged 26 harrassment attacks against enemy infantry columns and military convoys in the Departments of Huehetenango and El Quiche. In Nebaj, in El Quiche Department, it seriously damaged three air force helicopter gunships.

In this document the EGP also charged that the Israeli military men who advise the bloody Guatemalan Army are accomplices in the slaughter of thousands of peasants, including women and children, and the destruction of hundreds of Indian settlements.

URNG MEMBER DISCUSSES ATTACKS ON REGIME

PA060308 Havana International Service in Spanish 0000 GMT 5 Sep 82

[Statement by (Lucrecia Matzar), member of the Guatemalan National Revolutionary Unity (URNG), place and date not given -- recorded]

[Excerpts] From January through June, we carried out 250 harrassment attacks on enemy positions, hundreds of sabotage actions, 203 occupations of municipalities and 1,302 guerrilla actions of various kinds. Between January and June, we inflicted 1,592 casualties on the enemy.

Because of the defeats suffered by the enemy, we now have a news blackout, for the following reason: One of the measures taken by the Rios Montt government has been the issuance of a decree that restricts news dissemination. For this reason, when we have a chance to broadcast our war bulletins some time has past since the information was really hot; we must give our side of the news with some delay, which is why it is different from the official news.

We believe that all of this is intended to conceal the success of the revolutionary movement in Guatemala and to pretend that the army has been successful. As you well know, they launched the guerrilla counteroffensive more than 18 months ago in almost all the country's guerrilla zones. I could add that our casualties have been very few during this counteroffensive operation.

After the coup d'etat, this counteroffensive was increased, but it has been defeated. We have even managed to surround army forces. All of their tactics involved in what they call the anvil and hammer strategy were applied in the guerrilla zones and we were able to defeat them. This is very important, because it is related to their desperation; they now have no alternative but to implement a scorched earth policy. That is, they massacre defenseless and innocent residents and the claim that these are military successes.

PEASANTS GROUP DEMANDS HALT TO GENOCIDE

PA031454 Managua EL NUEVO DIARIO in Spanish 28 Aug 82 p 3

[Undated communique released by the Altiplano Peasants Committee of Guatemala]

[Text] The Altiplano Peasants Committee, a rural organization that groups over 50,000 persons in the area of the central highlands of the country, hereby addresses the international community to denounce the brutal repression against the northwestern population of the country by the military dictatorship currently represented by Gen Efrain Rios Montt, who belongs to a Protestant sect of the "fundamentalist" church and who considers himself chosen by God to rule the country. An example of the atrocities and crimes committed by the military regime is the recent genocide perpetrated on 18 and 19 August against the defenseless population of the Santa Anita community, in the San Martin de Jilotepeque municipality, Chimaltenango Department, to the west of the capital, where special army troops combined with paramilitary groups dressed in civilian clothes murdered over 100 persons, including several children, elderly people and women whom they raped and later savagely chopped up with machetes. Later, the troops and the paramilitary groups burned the ranches and the basic grain crops of the town and stole domestic and corral animals, food and other goods from the population. This incident is added to the other atrocities committed by the army in the campaign of terror imposed by the military regime with the support of the U.S. Government for the purpose of intimidating the Indian peasant community of the northwestern part of the country to leave their towns, their crops, their animals and other property. Thus, they vainly plan to weaken our people's determination to fight.

Elsewhere, the government tries to blame the guerrillas for the massacres on the fields. With this, they try to confuse part of the urban population and the international public, since in the Guatemalan countryside, the entire population knows the only ones to blame for the genocide and crimes against the population are the army and the paramilitary groups, which the regime calls "civilian patrols."

We the members of the Altiplano Peasants Committee make an urgent appeal to the people, the democratic governments of the world, the human rights organizations and the world public in general to make every possible effort to put pressure on the Guatemalan military regime to stop the massacre of Indian communities. At the same time, we appeal to international solidarity, whose support will help us attend to the peasant population forced to flee into the mountains to evade repression.

Stop the massacres! With international solidarity, our organized people struggle and challenge genocide! Organized we shall win! Long live the Altiplano Peasants Committee!

HONDURAS

ENVOY IN MANAGUA DENIED AUDIENCE BY D'ESCOTO

PA050226 Paris AFP in Spanish 0135 GMT 5 Sep 82

[Text] Tegucigalpa, 4 Sep (AFP) -- Roberto Martinez, the Honduran ambassador to Nicaragua, has said here that Nicaraguan Foreign Minister Miguel d'Escoto has refused to grant him a private audience since he assumed his office in Managua a month ago. Martinez said that at a special ceremony held in Managua, he asked D'Escoto for a private audience, which so far has not been granted.

Referring to remarks by Commander Daniel Ortega, coordinator of the Nicaraguan Government Junta, who reportedly said that war with Honduras "is inevitable," Martinez said that "we must make efforts to prevent armed clashes between these two Central American countries." Martinez said that he has instructions from President Roberto Suazo Cordova to struggle to maintain the peace between the two countries.

Martinez added that "there have been fewer attacks against Honduras in the Nicaraguan press," as a result of the denunciations made by him with this objective.

When questioned, Guillermo Suarez, the Nicaraguan ambassador to Honduras, refused to comment on the complaint of "my great and dear friend" Martinez concerning D'Escoto's refusal and said that "relations between the two countries are normal."

He emphasized that "I cannot believe in a war between Honduras and Nicaragua. I believe in peace, and we must all strengthen it."

Questioned about Ortega's remarks, Suarez replied that sometimes international news agencies publish inexact statements, and he added that he has no knowledge of "the attacks" of the Nicaraguan press against Honduras.

Nevertheless, he emphasized that "the moral obligation of the communications media is to work every day for peace," and that he has expressed this same message in Nicaragua.

REACTION TO TORRES' ACCUSATIONS IN MEXICO

PA021439 Tegucigalpa LA TRIBUNA in Spanish 1 Sep 82 p 31

[Text] The accusations lodged yesterday in Mexico by Honduran Col Leonidas Torres Arias against Gen Gustavo Alvarez Martinez has cast mistrust in the minds of representatives of different opinion sectors consulted on the matter last night.

According to these opinions, the position assumed by the commander of the public security forces and former military intelligence chief "is part of a vast campaign of discredit and misinformation against Honduras and is therefore condemnable."

They also deplored that Torres Arias resorted to the foreign press to make his charges and offered to give more information to the National Congress, when he could have lodged the charges in the country or by using other means that would not "give more material to the Sandinist army, which will not delay in reaffirming its charge of 'invader' against the Honduran Government."

Finally, they said the national authorities "should find ways to talk some sense into the colonel."

Official Communique

PA032346 Tegucigalpa Domestic Service in Spanish 1130 GMT 3 Sep 82

[Press communique issued by International Information Office of the Honduran Government on 2 September 1982 in Tegucigalpa -- read by announcer]

[Text] In view of the press conference held in Mexico City by Col Leonidas Torres Arias, the International Information Office of the government of the republic provides the following information to the local and international public:

1. According to information provided by the government's relevant offices, the colonel's news conference was organized and carried out with help from elements who are connected with the subversive fronts operating in some Central American countries and linked to the propaganda machinery of the anti-Honduran campaign, which has been denounced by our government on several occasions.

It escapes no one's attention that the acts of provocation and the attacks against Honduras' territorial integrity have increased in the last few weeks and that, at the same time, high-ranking Nicaraguan Government leaders have been creating a climate of unrest and increased violence in the region. One example was a statement by the Nicaraguan Government Junta coordinator to the effect that a war between his country and Honduras is inevitable.

2. The Honduran Government categorically denies the statements made by Mr Torres Arias, who has vainly tried to cast doubts on Honduras' peaceful stance. In accordance with the Honduran constitutional system, the management of foreign affairs is the responsibility of the president of the republic. It is within this context that our government has been successfully strengthening its initiative to internationalize peace in Central America, which was submitted to the OAS Permanent Council on 23 March this year.

3. The armed forces, as an integral part of the government of the republic, support President Suazo Cordova's peace policy for the region. (?The first evidence) of this was the speech delivered by Gen Gustavo Alvarez Martinez, commander in chief of the armed forces, who, bearing in mind the military post he holds, said:

Likewise, conscious of our historical responsibility and in line with the people's aspirations and the concepts that inspire the government of the republic in terms of harmonious coexistence in the domestic and international spheres, I firmly state that the armed forces fully support the Honduran Government's effort to keep Central America from becoming a battlefield, where fraternal blood would stain our fields and spread sorrow among our people through a tragic sowing of death. On the contrary, it must be a fertile ground of life, where a fraternal embrace may flourish among peoples ennobled by work, enhanced by peace and dignified by democracy.

4. Through Decree 478 of 1 September 1982, the president of the republic has declared null and void the appointment by which Col Leonidas Torres Arias served as military attache at the Honduran Embassy in Argentina.

Torres Discharged Dishonorably

PA050055 Buenos Aires LATIN in Spanish 2214 GMT 4 Sep 82

[Excerpt] Tegucigalpa, 4 Sep (LATIN-REUTER) -- The high command of the Honduran military forces has dismissed a colonel who criticized the armed forces' high command for leading Honduras into a confrontation with neighboring Nicaragua, a military communique reported today. The high command, which met last night, has dishonorably discharged Col Leonidas Torres Arias, who is now military attache of the Honduran Embassy in Buenos Aires.

The command, with court-martial powers, judged that the colonel had hurt the prestige and the interests of the Honduran Army, added the communique.

Last Tuesday, Colonel Torres urged the Honduran Congress and Armed Forces to dismiss Gen Gustavo Alvarez for increasing the tension with Nicaragua, which he believes could lead to a military confrontation.

Accusation Linked to Nicaragua

PA040014 Tegucigalpa Domestic Service in Spanish 1130 GMT 3 Sep 82

[Text] Honduran Foreign Affairs Secretary Edgardo Paz Barnica said yesterday that the international misinformation campaign that Nicaragua is carrying out against Honduras has not been as successful as the Nicaraguan leaders wished.

The Nicaraguan plan was bolstered by the news conference that the Nicaraguan Government sponsored in Mexico, and to which opposition sectors were invited, in an effort to raise serious accusations against our country, the official said. He added that, more than anything else, these slanderous charges are intended to divert the Nicaraguan people's attention from the internal problems faced by their government.

As for the statement made recently by Col Leonidas Torres Arias, the foreign secretary stressed that it has been regarded as a action that compromises the state's security. He added that the Honduran ambassador to Nicaragua reported that the statement was banner-headlined by the Nicaraguan daily newspapers. This scandalous statement may affect the country's economic and political affairs, as well as other activities in the nation, Pas Barnica said in conclusion.

Additional Comment

PA032357 Tegucigalpa Domestic Service in Spanish 1130 GMT 2 Sep 82

[Text] Enrique Ortez Colindres, Honduran ambassador to the United Nations, has said that President Roberto Suazo Cordova realizes that the campaigns of distortion being perpetrated against the Honduran Government will have to be countered at the highest level: [Begin Ortez recording] He is very much aware at this moment that we have major problems in Honduras, which we are trying to solve, and which have even greater priority. One of these is [words indistinct] the ongoing negotiation for foreign loans.

I believe that there are (?other) important matters. It is indisputable that the economy merits priority. I have invited the president to come here, especially because it is necessary for Honduras' voice to be heard at the highest world forum, through its highest official spokesman. He is considering this. He is well aware of the importance of countering, at the highest levels, what could be a campaign to distort Honduras' democratic profile.

Despite all this, the truth cannot be wiped out by attempting to obscure the sun with a finger, and we are also making an effort to carry out a countermeasure to the misinformation campaign, the nerve centers of which are in Washington and New York, where the most powerful newspapers are located. One finds that there is a campaign in those areas that cannot be genuine; it has to be a campaign that is paid for: large amounts of money are being spent.

I believe that the Honduran press must be aware that our country must always be defended in international forums, in the local press and on television, because everything that makes it possible for people to come to Honduras, to believe in the government, to invest and to make loans that can permit us to emerge somewhat from this situation could be undermined by that campaign.

Certainly, if this campaign is not countered it will produce positive effects for the adversary and we will lose political credibility. [end recording]

In view of this situation, Ortez Colindres commented on a statement made recently by Col Leonidas Torres Arias: [Begin recording] It seems to me that it will do great harm to the government and that, one way or another, an effort should be made to take specific action on this issue. My deputy, (Martinez Zuniga), informed me yesterday that a news conference was held in Nicaragua in which it was said that the only solution that could be reached would be a violent one, because we have not reached peace agreements.

We have been proposing a number of points at the United Nations ranging from border observers to an entire plan for the internationalization of peace. However, it is definite that the statement by one of our highest ranking officers will be exploited throughout the world in the international press, and that it will have -- not to underestimate its impact -- very negative effects, because the statement was made by a Honduran who has been very closely linked to our country's armed forces. [end recording]

TRADE WITH EL SALVADOR OFFICIALLY RESUMES

PA041553 Tegucigalpa Televisora Hondurena in Spanish 0130 GMT 2 Sep 82

[Text] At least 18 trucks with Salvadoran merchandise for the Honduran market entered the country today through the border point at El Amatillo after a 13-year hiatus in the trade relations between Honduras and El Salvador. The drivers, the only people who could be contacted with regard to the Salvadoran shipments, expressed the hope that the renewed trade between the two countries will bring about a reduction of the prices on both sides of the border, and also create more jobs.

(Jose Pablo Martinez) and other drivers of the trucks that arrived in Tegucigalpa said that it was high time for trade between Honduras and El Salvador to be resumed.

NICARAGUAN MISKITO REFUGEES TO BE RESETTLED

PA041835 Managua Radio Sandino in Spanish 1830 GMT 3 Sep 82

[Text] Tegucigalpa -- It was officially announced today that more than 9,000 Miskito who sought refuge in Mocoron, on the border with our country, will be relocated in productive areas that will allow them to improve their poor living conditions. The relocation of the refugees will be coordinated by the UN High Commission for Refugees [UNHCR] jointly with the National Agrarian Institute [INA] in accordance with an agreement between these two organizations.

An INA spokesman said that in order to relocate the immigrants from Mocoron, 400 km northeast of this capital, UNHCR members chose the areas near the banks of the Ibantara and Kruta Rivers in the Mosquitia. Honduran Government officials are inspecting these areas in an effort to see that the forest conservation project there will not be affected.

The INA spokesman said that 4 groups made up of 125 families will be settled in these places for a total of 3,000 people. The other refugees will be transferred to the shores of Lake Ibans and the banks of Patuca River, areas which have still to be inspected. After the inspection, the INA will issue a legal opinion establishing whether the land will be granted under a guarantee of occupation or through a temporary concession.

LEGISLATOR NOTES WILLINGNESS TO DEPORT SOMOZISTS

PA062241 Paris AFP in Spanish 2117 GMT 6 Sep 82

[Text] Tegucigalpa, 6 Sep (AFP) -- The Honduran Government is prepared to transfer the Somozists who have taken refuge here to a place outside the country "if that is the main problem in relations with Nicaragua," a parliamentary source has said here.

Carlos Montoya, vice president of the National Congress, said that "the important thing is the Honduras is devoting all of its efforts to economic recovery and to the strenghtening of democracy and that it does not desire an armed conflict with neighboring countries."

"If those people (the Somozists) are causing difficulties for us, the problem must be extirpated at the roots," Montoya said.

Oscar Mejia Arellano, minister of government and justice, said several days ago that the Honduran Government has put out feelers on transferring the Somozists, "but no country wants to receive them." Moreover, a month ago the Foreign Ministry asked the UN High Commissioner for Refugees to relocate the Nicaraguan immigrants, as an "urgent" matter, because their presence in Honduras causes problems that go beyond political and social issues. However, efforts in this regard have not been productive.

Montoya said that the National Congress is willing to cooperate with the executive branch in asking countries not bordering on Nicaragua to receive the former Somozist guardsmen. "The Governments of Panama, Colombia, the West Indies, Mexico, and even Guatemala could help us by receiving the Somozists, to avoid continued tension with the Nicaraguan Government, if the presence of the Somozists here is the cause of that tension," the legislator concluded.

GUERRILLA ARMS CACHE DISCOVERED IN CAPITAL

PA041420 Panama City ACAN in Spanish 2303 GMT 3 Sep 82

[Text] Tegucigalpa, 3 Sep (ACAN-EFE) -- The Honduran police dismantled a center for logistics and war materiel transformation used by leftist guerrillas. According to a report by a police spokesman, the center was located on the southwestern outskirts of this capital.

According to the information, the guerrillas used a small wooden house, built on a hill and surrounded by a corn plantation, to store weapons, munitions, explosives and radio equipment.

The source noted that documents found there indicate the materiel discovered in the house was brought into the country for use by members of the Salvadoran "Farabundo Marti National Liberation Front" (FMLN).

The house was raided Thursday by a special "Cobra" unit of the Honduran police. Although there is no report of any arrests during the operation, it was revealed that the police confiscated a "large quantity" of arms and munitions.

Today the authorities showed the location to reporters. The authorities also exhibited some of the captured weapons and explained the presumed international connections of the group that occupied the guerrilla hideout.

According to the police report, the weapons were buried in various parts of the house and some were damaged because they had been improperly packed.

The reporters were also shown a number of portable radios, some quite sophisticated, and a small mobile shortwave station whose antenna was ready for installation.

In one room, the police found supplies to manufacture bombs and several baby bottles to use used as explosive devices.

A police officer said the authorities were "amazed" at the large quantity of explosives and other war materiel found in the house.

Neighbors of the raided house indicated they had never noticed anything unusual. They were quite surprised by the police action during the search of the guerrilla hideout.

Unofficial reports indicated that, through several raids carried out in the past few days, the Honduran police have identified several houses used by the guerrillas in the capital and other cities in the country's interior.

A communique issued by the police's public relations office directly accuses Nicaragua of facilitating the supply to Honduran guerrillas across the common border.

INVESTIGATION INTO UNION LEADER'S DEATH DEMANDED

PA030040 San Pedro Sula TIEMPO in Spanish 3 Sep 82 p 4

[Excerpts] After taking the remains of Felix Martinex Medina, former leader of the Union of Workers of the National Autonomous University of Honduras, Sitraunah, past the presidential house, university workers, students and leaders of various organizations took the coffin to the general cemetery of Comayaguela.

At the presidential house they asked the authorities to investigate Martinez' death and to punish those who are responsible for it with the full weight of the law.

After denouncing Martinez' capture and death, the participants in the protest march took his body to the cemetery, where he was given a Christian burial.

NICARAGUA

DANIEL ORTEGA MEETS U.S. CHURCH GROUP OFFICIALS

PA040002 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 2 Sep 82

[Excerpt] Commander of the Revolution Daniel Ortega Saavedra, coordinator of the government junta, has met with members of the U.S. National Council of Churches. (Paul McCloddy), director of the U.S. National Council of Churches' World Service, and (Oscar Volioli), who is in charge of the council's Latin American section, met with Commander Ortega. The two National Council of Churches officials are in our country on a familiarization tour, to hear specific proposals and to offer their help. Their organization offers cooperation in medical, educational and agricultural programs.

Meets With Evangelical Pasters

PA041944 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 3 Sep 82

[Text] Commander of the Revolution Daniel Ortega Saavedra has met with 300 evangelists of 45 denominations. The clergymen outlined their concerns to the coordinator of the government junta.

The evangelical pastors of 45 denominations met this morning with Daniel Ortega at the Altamira movie theater. The evangelists outlined for Commander Ortega their concerns regarding the religious issue. For his part, the junta coordinator clearly stated that in no way is there a confrontation between the church and the revolution. He said that instead there are individual attitudes by clergymen who are involved in activities to destabilize the Nicaraguan revolution:

[Begin recording] We could interpret this as part of the political violence that surrounds the religious issue and which at certain moments leads to dynamics of confrontation which do not make distinctions and which affect sectors and interests that the revolution has no desire to harm. [end recording]

Talks With Opposition Groups

PA050240 Paris AFP in Spanish 1909 GMT 4 Sep 82

[Text] Managua, 4 Sep (AFP) -- In an effort to achieve national unity in the face of foreign threats, the FSLN today began a dialogue with the country's opposition parties. Commander Daniel Ortega, coordinator of the Nicaraguan Government Junta, made the announcement.

The talks with the opposition organizations that are part of the so-called Democratic Coordinating Board are being held through the political coordinator of the FSLN, Commander Bayardo Arce, and in political circles it was reported that these revolve on the prospects for an electoral process to begin in 1984 and culminate in general elections in 1985.

Ortega said that these talks constitute "a very important step in the efforts to achieve national unity in the face of foreign threats." Ortega added that the enactment of a political parties law will depend on the interest that the political groups show in their activities within the Council of State.

Another junta member, Sergio Ramirez, said recently that the FSLN is keeping its promise on the elections, and that little progress has been made so far in this respect due to the existing tension in the country caused by foreign threats.

With respect to the tense situation in the country, Commander Ortega said that the government maintains its willingness to talk with the church hierarchy on differences that have emerged in the last few weeks between the church and the state.

Monsignor Miguel Obando y Bravo, archbishop of Managua, has publicly expressed a desire to hold talks with national leaders. Ortega responded to this by saying that "we are prepared to talk with the Episcopal Conference and with Monsignor Obando himself."

On international issues, Ortega said that "a wall of silence has been erected around Nicaragua, which has made it impossible to hold talks that could improve the situation in Central America."

Nicaragua has proposed the holding of talks at the highest level to solve its differences with the United States and Honduras, and has recently invited Honduran President Roberto Suazo Cordova to visit the country.

However, Ortega said that the Honduran Government has indefinitely postponed the visit of Foreign Minister Edgardo Paz Barnica, who was invited to visit Managua and hold talks with Nicaraguan Foreign Minister Miguel d'Escoto.

Ortega said that Nicaragua's relations with Mexico are "unsurpassable," especially after President Jose Lopez Portillo in his report to the Mexican Congress reaffirmed his friendship and offered his support to Nicaragua against foreign threats. Ortega sent Lopez Portillo a message thanking him for the "reaffirmation of friendship, recognition and solidarity for the people and Government of Nicaragua."

In his message, Ortega said that Lopez Portillo's report "reaffirmed the historic dignity of the Mexican people, who today more than ever stand beside our people during the reconstruction of the nation and in the search for peace in Central America."

Regrets Honduran Delays

PA052120 Managua Radio Sandino Network in Spanish 1200 GMT 4 Sep 82

[Text] It is worrisome that Honduras' reply has been to delay a meeting of foreign ministers when there is a grave threat of aggression against Nicaragua, Government Junta Coordinator Commander Daniel Ortega told newsmen when approached at the (Julio Rodriguez Cerda) recreational center for retired people.

According to Commander Ortega, efforts to hold a dialogue have been made, but the response has been to build a wall around us. It was proposed that a meeting with Honduran President Suazo Cordova be held, but they decided that a foreign ministers' meeting should be held prior to that meeting. According to Ortega, the idea is to delay the issue. This is an attack on security of the Honduran people, that of the Nicaraguan people and that of the region in general, he indicated.

HUMBERTO ORTEGA DELIVERS ARMY DAY SPEECH

PA042220 Managua Domestic Service in Spanish 0000 GMT 3 Sep 82

[Speech delivered by Nicaraguan Defense Minister Humberto Ortega Saavedra at the Carlos Aguero Military School in Managua at a ceremony commemorating the Sandinist People's Army Day — live or recorded]

[Excerpts] Brothers of the FSLN National Directorate, brothers of the Junta of the Government of National Reconstruction and of our revolutionary government, ministers and companeros of our Supreme Court of Justice and the State Council, companeros of the Army General Staff and of the Interior Ministry, representatives of our mass organizations, brothers:

The National Directorate members decided some time ago that we should have a day on which to commemorate, to celebrate, Army Day.

Today we want to reaffirm some points of great importance for the nation's life, for the life of our people and for the life of our revolution. While remembering Augusto Cesar Sandino, his fighters, his generals, Altamirano, among others, and remembering those men and the many others who made it possible to follow Sandino's example, as with (Rigoberto Leon) and the men who faced U.S. expansionism in the war against Walker, or those who faced up to colonialist domination, to the Spanish-English yoke in the last century; inspired by the memory of those men, of those feats and those struggles, we want to reaffirm the unyielding decision of the leadership of the revolution and of the FSLN to move forward with the revolutionary programs, guidelines and goals that we have been pursuing ever since we took control in 1979 through the revolutionary government, through the program of national reconstruction.

As is known through the country's various communications media, through the various appearances of the revolutionary leaders, of the National Directorate and of the government, 3 years after the working people, led by their vanguard, the FSLN, took political power by force of arms, we continue to make great efforts to achieve, first, a regional climate that will bring about the failure of our enemy's warmongering, adventurous actions -- to cause them to fail to produce fruit -- because it is our duty to our people, and to our dead, to always struggle for peace.

We know that war has a harsh social and human cost, particularly for a long-suffering people like ours.

It is our duty, the duty of Sandinist revolutionaries, to defend our right to force our revolutionary process and to build a new society in peace. However, perhaps the most difficult task, the task to which we devote most of our time, is that of searching for peace, so that our people may be able to reconstruct our country, which was destroyed by the war, by former exploitation and by natural forces as well; earthquakes and floods. There is much yet to be done. We have many years ahead in which we can continue to reconstruct our country, to build the new society, to defeat underdevelopment and to make our people, our children, our women, our elderly people -- in other words, all of our people -- happy.

We have too many problems to be looking for more problems, like war or aggression. Even if there were no aggression, we, our revolution, would require many years -- 10, 15 or 20 years -- to lay the bases of the new society. Now that we are (?succeeding) in building the future, it is being destroyed in an unjust and cruel war provoked by our enemies. Therefore, the first element or aspect we wish to reaffirm today is the readiness, the willingness, of the revolutionary government and the National Directorate to show patience even if we have no patience [words indistinct] so as to destroy all of the aggressive, interventionist plans of sabotage, inefficiency, aggression, war and invasion against our country, because this way we will be showing responsibility toward our people, the other peoples in the region and the other peoples in Latin America. [applause]

However, besides this effort of the Sandinist leadership, of the revolutionary government, to find formulas or means to seek understanding, to find practical formulas of coexistence in this troubled region; in addition to these efforts our government is carrying out throughout the world, and those that the National Directorate is carrying out in that region where not even those most responsible for this situation, especially the most reactionary sectors of the current U.S. administration... [doesn't complete thought] as I said, apart from this effort, the effort of the National Directorate, we are justifiably concerned, and we would like to say this today because of the aggressive and warmongering tendencies imposed despite the efforts we are carrying out. [sentence as heard]

At this moment; there are sectors that do not agree with the character of our revolution but do not want a war. They have told us this and we respect their attitude. There are others who do not agree with our revolutionary system and want to destroy this revolutionary system, this revolutionary process. These sectors are the ones that take the warmongering and aggressive path. We must tell our people that to this day these tendencies -- the warmongering, adventurous and provoking tendencies -- intend to unleash the flames of war, aggression and destruction. In the face of this situation, although it is our duty to continue struggling for peace, it is also our duty to prepare for war to better defend the cause and peace. [applause]

We are willing to continue seeking just and mature political solutions to the difficult situation experienced by the Central American region, but willingness is not enough. We also need, in the face of this shameless path imposed on us by the most reactionary sectors of the U.S. administration and the most reactionary sectors of the army of our sister country Honduras.... [doesn't finish sentence] in view of this we must -- even above those military forces that do not share these views.... [doesn't finish sentence]

In view of this situation, we believe that political, diplomatic and real willingness are not enough to struggle for peace. Therefore, we must also have real and practical elements to defend this willingness. Yes, in this sense they have been able to impose themselves and we don't want this. We have to be very clear regarding these warmongering and adventurous stands, and we must also have the right to prepare to face these sectors that want a war. We know -- the National Directorate knows and our people know -- how the National Directorate and the revolutionary government in recent months have been promoting different tasks directed toward strengthening the defense of our revolution. But this defense of the revolution is not only from the political and diplomatic viewpoint as we have been doing and will continue to do in the future. In the face of this shameless situation of support for a war, especially in Honduras were there is a big, daily and permanent movement of the armed counterrevolution and of sectors of the Honduran Army -- which operate behind the backs of many Honduran officers who do not agree with the actions carried out by the counterrevolutionaries -- who are supported with aid from the Pentagon and the U.S. Government.... [doesn't finish sentence] This constant and strong movement involves serious military preparations. We have already announced that they have strengthened the counterrevolutionary bases located along the Honduran border. There are more than 4,000 or 5,000 former Somozist guards -- former Somozist guards that are there and that we did not have here after the triumph because they were captured or annihilated as we annihilated others. [sentence as heard] They are there to strengthen these counterrevolutionary bases as well as to move on other lines, toward a superior aggression to start a conflict, and toward the proliferation of armed counterrevolutionary bases operating from the Honduran border.

These matters demonstrate that while we are making all these efforts to seek dialogue -- communication, talks, the just and correct solutions for this convulsed situation of the region -- the aggressions, confrontations and attacks of those who want war advance more rapidly. This is the truth. We can even say that in the last few weeks and months there have been times when we have felt that we were talking to ourselves because those with whom we wish to speak don't speak seriously; they will not accept the serious dialogue we have suggested. However, we are doing everything possible to be heard around the world, urging them to accept a mature position such as the one we want.

In view of this situation -- and here we have to make a comment regarding our defense mechanisms -- that demonstrates that there is strong foreign support, economic and material, we have to state here that we are still lacking more [words indistinct] at general defense levels.

We have to be aware of this fact and we cannot foul ourselves or harbor false illusions; the Sandinist People's Army and the Interior Ministry -- state security, Sandinist police -- cannot defend our revolution alone. If we believe they can, we are wrong and our enemies will be able to inflict many blows on us and cause much damage. Although it is true that the EPS and the Interior Ministry are the central nervous system of the people's defense, it is also true that they need organized people, directed by the army in matters regarding war, by the Interior Ministry in tasks concerning internal order and by the ministers in matters regarding factories and people's property. It is the people who, duly organized, guarantee our defense and who guarantee victory in times of revolution or war.

If we are well organized and follow instructions, if we faithfully follow the instructions given by the militia and all defense organizations, we are sure that -- no matter how many times we are attacked or surrounded -- with the people's morale and preparation we will not only be able to push back our enemies but we will also defeat them on the battlefield. [applause]

Today we wanted to reaffirm to our people that the situation we are experiencing is tense, difficult, affected by sectors promoting a military confrontation -- this is the truth.

Therefore, even though we will continue with responsibility in our search for peace by seeking just and mature political solutions to avoid war, today more than ever, today more than at any other moment since we took power in July, we must be alert, concern ourselves more in matters of military preparation, revolutionary surveillance, without falling into a situation of alarm, panic or desperation. The truth is that we must -- not only in these months but in the future, as long as U.S. imperialist exists -- get accustomed to carrying out our normal social activities such as work, sports and so forth without forgetting our plans for defense, the use of weapons and measures called for by national defense. If we believe that we will soon achieve a situation of total normalcy, then we will be creating conditions for the enemy to hit us harder.

At this time, when the situation is tense and when we see that the reactionary sectors are not concerned with solving the situation of the area, at this time more than at any other time, when the enemy is even [word indistinct] when they tried to blow up the refinery with airplanes, at this moment more than at any other, we must reinforce revolutionary surveillance as well as all measures included in our national defense plans. This is most important. Above all we must strengthen the awareness of our people that this path is difficult and hard, but it is the only path that will allow us to be truly free.

We want to end this message on behalf of the National Directorate recalling on this the EPS day those men who made the EPS possible. We want to remember those who make possible the creation of Sandino's sovereign Nicaragua Defense Army. Our brothers -- the unknown peasants, workers, barefoot, poor, downtrodden, exploited, illiterate brothers with Zeledon and Sandino -- simply fulfilled their duty of fighting and died defending a flag, the flag of freedom, the flag of the poor, the flag of anti-imperialism.

In honor of those heroes and brothers, in honor of our people's grief, grief caused by the absence of loved ones, today we must promise to become better soldiers, leaders, fighters, better defenders of our country and our revolution. We must say that in the army we are going to better ourselves before our revolution and our National Directorate, to become the best, the vanguards, the most efficient, the most revolutionary and determined to defend to the end this fatherland, this revolution, this people, this grief, this peasant, this spilled blood. Free Fatherland [people shout: or death]. [applause]

First National EPS Day

PA041901 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 3 Sep 82

[Text] For the first time in Nicaraguan history, a national day honoring the Sandinist People's Army [EPS] was celebrated today at the Carlos Aguero Military School. The EPS celebration marks the historic date on which General Sandino founded the army for the defense of the nation's sovereignty.

Commander Hugo Torres, chief of the EPS political section, said that the armed institution is the repository of the entire legendary legacy of patriotism, self-denial and fighting spirit of Sandino's army.

The ceremony was attended by officers and enlisted men of the EPS General Staff. Also present were delegations from the mass organizations, the Supreme Court of Justice and the Sandinist Children's Association [ANS]. The Sandinist Air Force also heaped praise on the heroic EPS fighters.

The government junta was represented by Daniel Ortega, commander of the revolution and coordinator of the junta, and Rafael Cordova Rivas. Also attending was Humberto Ortega, commander-in-chief of the Sandinist Armed Forces; Luis Carrion Cruz, deputy minister of the interior, and Raul Venerio, commander of the Sandinist Air Force.

EPS day was celebrated with revolutionary fervor in San Rafael del Norte, a historic site in the struggle of Gen Augusto Cesar Sandino. The ceremony reflected the fighting unity of the people in the mass organizations. In the presence of the ANS, the Bishop of Jinotega and guerrilla Commander Francisco Ramirez, [name indistinct] of the municipal board traced the struggle of Sandino's army.

In his speech, Javier Carrion, guerrilla commander and chief of the 4th Military Region, explained that the moral and human qualities of the EPS are equal to those of Sandino's army:

[Begin recording] For this reason, the bravery of those years, which was demonstrated massively during the insurrection, is evident today in the men of the EPS, whose fighting mission is to defend the homeland's borders of the fatherland against incursions by the counterrevolutionary bands, against the counterrevolutionary military units that are encouraged, supported and led by U.S. imperialism.

Those men of the border troops, who are enduring harsh conditions and who are isolated from towns and cities and lack of food, nevertheless continue day after day to do their sacred duty to defend the revolutionary homeland. [end recording]

TINOCO COMMENTS ON PEACE MOVES, U.S. STAND

PA041509 Paris AFP in Spanish 1110 GMT 4 Sep 82

[By Claude Urraca, special AFP correspondent]

[Text] Managua, 4 Sep (AFP) -- The Nicaraguan Government is especially interested in having Mexico, just like Venezuela and Brazil, "reactivate its role in Central America to prevent a regional conflict," Deputy Foreign Minister Victor Tinoco has affirmed.

In an interview with AFP, Tinoco proposed at the same time that Mexico act as observer in eventual negotiations between Nicaragua and the United States on the situation in the region.

Tinoco said that the United States really has no serious interest in talking to Nicaragua, because "whoever talks of negotiations talks of concessions, and the United States is not ready to make any concession to Nicaragua," he added.

In Tinoco's opinion, the U.S. Government "continues to think that with its economic, political, and of late military pressures, it will solve the Central America problem and that to reduce tension in the region it must destroy its center, which is Nicaragua."

Deputy Foreign Minister Tinoco added that this plan included an increase in military pressure and the military escalation on the northern border of Honduras, in the wake "of the action of counterrevolutionary bands" in that region.

"Certain sectors of society and the Honduran Armed Forces believe that coexistence with Nicaragua is possible, but they have lost ground recently in view of the predominant influence of Defense Minister Gen Gustavo Alvarez who, supported by the United States, favors a confrontation," Tinoco added.

He stressed, however, that Nicaragua is ready to study the regional peace proposals made by Honduran Foreign Secretary Edgardo Paz Barnica as well as the proposals presented by Nicaragua "to reduce tension along the border."

Regarding Costa Rica, Tinoco noted that the tensions have diminished in the wake of a more positive attitude by the San Jose government and that avenues of communication between the two foreign ministries are open.

Meanwhile, he indicated that Nicaragua had benefitted from the Malvinas crisis. This war "was the detonator of the necessity of Latin America's independence from the United States and revealed the conflicts that exist between U.S. political and economic interests and those of Latin America," he added.

"Before the Malvinas," Tinoco stated, "the possibility existed that the United States might use the OAS (Organizations of American States) as a screen to attack Nicaragua, but now this possibility has been shattered after the Malvinas."

On Western Europe, he said that "the political and economic decisions of Nicaragua are strongly influenced by the attitude of the United States, such as the state of siege decreed in the wake of the American threats." [Sentence as received]

Nevertheless, he affirmed that "the most centrist attitudes of Europe influence the United States in a moderate sense, and in turn aid Nicaragua."

To conclude, Tinoco indicated that his country supports the proposal to hold the next Nonaligned Summit in New Delhi instead of Baghdad.

JAIME WHEELOCK REPORTS ON TALKS IN MEXICO

PA050132 Managua Radio Sandino Network in Spanish 1200 GMT 3 Sep 82

[Text] Despite the present economic crisis being experienced by the Mexican nation, the government headed by President Jose Lopez Portillo has reiterated its willingness to make efforts to help prevent the regionalization of the war in Central America, basically through the reaching of agreements between Nicaragua and Honduras. This statement was made yesterday by Commander of the Revolution Jaime Wheelock Roman, minister of agricultural development and agrarian reform, at Sandino Airport while commenting on the results of the meeting between the Nicaraguan delegation and President Lopez Portillo.

[Begin Wheelock Recording] Under present circumstances, full attention is being focused on the sensitive and delicate problem of their serious economic crisis. It must be borne in mind that Mexico's economy is probably the largest in the Third World, and that its foreign debt, as you probably know, exceeds $80 billion [as heard]. Logically, this is going to keep the Mexican authorities busy for some time.

However, we actually discussed aspects of the attempts to establish peace in the area, basically our intention to conclude agreements the need to make efforts within the framework of the Mexican-French plan, which may be joined by other Latin American countries wishing to help avert an armed conflict [words indistinct]. [end recording]

Commander Wheelock Roman also referred to the decapitalization of Mexico by the oligarchic sectors, adding that the nationalization of private banks will allow the government of that country to introduce structural [word indistinct] into Mexico's economy. He asserted that President Lopez Portillo's decision to nationalize private banks is a historic decision to deepen the Mexican revolution.

[Begin Wheelock recording] The fact is that while the entire people were devoted to work, a sector -- basically the [word indistinct] oligarchic sector -- decapitalized Mexico. It took $50 billion out of Mexico. This is a fantastic amount and could bankrupt any country.

In this sense, and from the standpoint of economic and national security, the government unavoidably had to react by intervening and expropriating the banks. However, although it is true that this solution may well be characterized as a short-term way out, the truth is that it involves basic elements that introduce qualitative and structural aspects -- and not simply short-term aspects -- into the Mexican economy, giving it a meaning that is somewhat different from the one it had [passage indistinct] [end recording]

INTERVIEW WITH PLANNING MINISTER HENRY RUIZ

PA011730 Managua PATRIA LIBRE in Spanish Jun 82 pp 38-44

[Interview by Freddy Balzan with Commander of the Revolution Henry Ruiz, Nicaraguan planning minister; date and place not given -- capitals denote boldface as published]

[Text] [Question] How do you evaluate the current political, economic and social situation in Nicaragua?

[Answer] "In regard to the current political, economic and social situation in Nicaragua, I would have to answer that it is very complex, because it results from the convergence of different forces with different natures and different interests.

"The revolutionary phenomena are highly complex phenomena (I fear that in repeating this well-known truth I fall into the error of repeating a truism); however, I believe that although this is already known, I should not stop repeating it. From the ministry's position, we can already see that the restructuring of property systems and the reallocation or redistribution of the national income affect the interests of the class that, according to the revolution's basic concepts (the defense of the working class' interests) are producing this noticed sociopolitical phenomenon. We could summarize it in another way; the revolution's honeymoon is coming to an end. By this I mean the romantic idea among those who believed that the Sandinist people's revolution was an idyllic revolution in which the interests of a group of traitors and the interests of the real working people could be fused; a shortsighted point of view, from which the revolutionary directorate has never suffered. However, the complexity to which I am referring, and I wish to express it as an absolute complexity, is this: The betraying sectors, the turncoats and traitors, gather at one end, and at the other we have the workers, technicians, students and the TRULY patriotic businessmen who have joined to defend the legitimate interests of Sandino's fatherland. As you will understand, we believe in the historic feeling of our people and we are convinced that this balance is positive for the revolutionary forces' development."

A 7 Percent Economic Growth

[Question] In your opinion, what are the revolution's most important achievements as it nears its third anniversary? And its mistakes?

[Answer] "Before answering your question about our primary achievements I would like to explain the material foundation that we inherited; but first, please allow me to cite some figures that will help us to understand the capacity and tendency of the economic structure, as we inherited it, and to compare it with the efforts made by the revolution.

"Nicaragua has experienced IN A DECADE at least three meteorological phenomena that, taken together, have defined the country's economic foundations; they have produced the economic and social point of departure for the next 10 years.

"They are as follows: The 1972 earthquake, the war of liberation [as published] and the latest natural disaster caused by the recent May rains.

"The first two are more typical; by this I mean that if we compare the growth of one decade, 1970-1980, including the two phenomena considered typical and accepting the economic methods classically used by international organizations -- the World Bank, IDB, the United Nations etc. -- we find that the national economy's average annual growth rate as of 1970, was less than 0.1 percent, that is, all the destruction, decapitalization, [losses of profits] and the Somozist inheritance, determined a total decrease of the economy, to the percentage already pointed out. However, the overall economy in the 3 years of revolution has grown at an average of 7 percent."

Losses Represent 80 Percent of Exports

"To try and better understand and expand my answer to your first question: In the 1970-79 period, the country's total investment used 40.5 percent of national reserves to replace equipment and machinery. However, fixed investments, that is, factories to produce and reinforce the productive capacity of the country, were practically nil.

"The only productive enterprises were in the fields of construction materials and the brewery. To complete this idea, we must add the May phenomenon that left heavy damage -- calculated at between $350 and $400 million, and this does not take into account damage that could arise in the future because of the erosion of the land affected (we still don't know how much cotton we will be able to get out of each manzana sowed or how much cotton will be harvested in future crops). I point this out because the effect of this disaster will be felt throughout 1982 and 1983, since in net terms the losses are approximately 80 percent of the expected exports for these years.

"This was the economy -- practically stalled and damaged throughout the last decade -- that we faced after the triumph of the revolution.

"Add to this what we consider a further aggravation: The Central American crisis, an international crisis that reflects unequal trade in merchandise and the high cost of money, critical international parameters on which the Sandinist people's revolution depends in facing the stage of national reconstruction."

Philosophy and Goals of the Economic Programs

[Question] What have we done to alleviate it? What effort has been made by the revolution?

[Answer] "I would like to respond to these questions by explaining the philosophy and the goals of the two programs that the revolutionary government has prepared.

"The first one is known as the economic reactivation program and the second one as the efficiency and austerity program. (The years 1980 and 1981) [as published]

"What were we seeking? What are these two programs? They are links in a chain toward attaining national reconstruction goals: the high production level of the 1970's combined with the new income-distribution concept of the revolution and its historic program. The economic and social subjects pursued and the methods being used in these two programs are of basic importance. This includes a combination of the social sectors, as economic subjects, the international community and the true social situation. [sentence as published]

"By 1981, our goal was to improve the standard of living of the people and to advance on the path of economic independence by putting in order and consolidating the people's property area, making it more efficient and productive, and turning it into the fundamental center of the national economy's restructuring and reorientation. We could say, Companero Balzan, that we had a clearer view of the problems and the goals we could reach.

"Companero, I want to point out two concepts -- in the midst of achievements and mistakes -- that in my opinion are basic: FIRST, the efforts the revolution has made in production and social services, its efforts in defense of workers' jobs and real salaries, its struggle against inflation -- in other words, its economic policy which has respected political pluralism and the mixed economy in defense of the Nicaraguan poor.

"To give you an example, despite the weak material basis we have for facing the social problems of the past, the revolution has maintained its health, education, culture and housing policy and every year we increase the budget and the investments in those directions.

"This year, 1982, which I personally consider a critical year, total expenditures in those sectors will be around 3.2 billion cordobas, including expenditures and investments. The effort in the agricultural and livestock sector has been important and this sector continues to grow despite the 'ingratitudes' of weather and international prices."

We Have Been Short-Term People

"In the second place, although the masses have encouragingly joined the national reconstruction effort and participated in the armed defense of the revolution, and although there have been political explanations to make the revolutionary process understood, we have not been clear enough in presenting the true economic and social situation we inherited. I have the impression that we have opened short-term expectations that negatively affect the formation of a revolutionary awareness in our people. I want to say this some other way: international aid has been basic for the achievements of the revolution, but, historically, it is not decisive. What is decisive, fundamental and strategic is the people's own efforts to materially and spiritually build their new life.

"If the working masses fail to understand that their creative energy is necessary for national reconstruction, production and defense, and we let them quietly aspire to a better standard of living, the task of reconstruction will take longer than is historically necessary.

"The workers must understand in specific detail that our country will be free when their social discipline increases, because this will enable them to face and defeat all the difficulties that we have inherited from the past.

"I want to emphasize that it is not enough to have the basic means of production, it is necessary to make them efficient and very productive. Our country has not inherited industrial structures that allow sustained and self-sufficient development. Nicaragua's main wealth is its land and the people who work it. I maintain that agrarian reform and the forces that develop this reform will consolidate their main-sector status to strengthen the productive capacity and solve our people's basic needs; food, health, education and housing. I mention these needs in this order because of the development logic."

CIA Maneuvers

[Question] What measures will the revolution implement to prevent the CIA from continuing to destabilize the process through the lavish distribution of funds among the revolution's enemies? Would the U.S. Government allow financial assistance to be given to the revolutionary groups which seek power in that nation?

[Answer] I am convinced that the revolution will have to adopt all sorts of measures, whatever they are, to defend itself and to keep intact the principles of sovereignty and independence. I do not doubt this in the least. I think that besides maintaining mutual respect with friendly governments and sympathizers of our process, we have been flexible and even tolerant. There is enough evidence of this. However, I think that taking undue advantage of this policy is tantamount to taking this government for a fool or trying to make it an accomplice, because of its tolerance, of counterrevolution. There exists an abysmal difference in this. A sovereign state like ours, which has created such institutions as the International Reconstruction Fund and established an exchange policy, nationalized the banks and enacted laws to control foreign trade and other laws, has enough means to enforce them rigorously against whoever takes us for fools because of our generosity.

You are aware of the brazenness of the representatives of governments like the one you alluded to in your question. They not only encourage the tendency you mention, but make political statements which, besides harming our national sovereignty, are fit for those political candidates and "hopefuls" who are now abroad among the ranks of counterrevolution. I would repeat what Sandino said, so this may be understood once and for all: "Gentlemen, the sovereignty of a people is beyond question..."

The CIA plays a professional role in the destabilization of popular and democratic governments like ours. We understand its role. However, it should be clearly understood and set down clearly for the record that we also act consistently with this process and that we will defend our gains and sovereign right to be FREE and INDEPENDENT to the ultimate consequences. Peoples like ours are not limited by their geographical size, their gross domestic product or military techniques. Their size is determined on the basis of their will power and their desire to be free and sovereign. Our people have already shown this and they have chosen their path.

The Most Subtle Mechanisms

I want to delve further into your question. There are not only the open mechanisms you referred to but others which are more subtle and less known by our people. There are mechanisms like the IMF, which barefacedly manipulate economic policy to subdue and to go on exploiting people like ours. They suggest and impose in practice monetary policies whose sole objective is to extract the sweat of the workers, transforming them into dollars. They take charge of devising policies which smother our people financially. The Sandinist revolution is one of the phenomena they hope to smother. Imperialism is acting in an overall and complex manner against our revolution.

We have been responsible and have complied with all our financial obligations but have also said clearly that we do not admit meddling in the economic policies of the process because such meddling is, by itself, harmful to the revolution's political conduct.

The economic policy of the present North American administration is drafted and imposed by organizations like the ones we have mentioned. They sow terror through financial policies that promote the growth of large war industries and see to it that military budgets are fulfilled while food, health and housing programs are reduced to the point of nonexistence.

In concluding, Companero Balzan, allow me to say this: First, our people must understand that the cost of national reconstruction and the right to be FREE must be covered with the highest possible degree of sacrifice, daily toil, savings of internal resources and investment by them if we want to be able to confront our historical enemies and to be consistent with Sandino's legacy to us. Independent of the economic, political and social difficulties we are experiencing, the revolution will go on advancing and remain loyal to the workers and to the peoples who are struggling for liberation, peace and harmony and nations.

SOCIAL CHRISTIANS' FLETES ON ENDERS' OFFER

PA030150 Managua LA PRENSA in Spanish 24 Aug 82 pp 1, 12

[Text] Adan Fletes Valle, president of the Social Christian Party (PSC), said today that an end to the arms race in Central America would be one of the first steps toward demilitarizing the area. A reduction in foreign military assistance falls within the framework of a process by which to demilitarize the Central American region and to contribute to peace, Fletes said.

The PSC leader was referring to a new U.S. Government offer announced by Thomas Enders, assistance secretary of state for inter-American affairs. In a speech last week before the Commonwealth Club in San Francisco, Enders suggested that arms sales be limited and that the number of foreign military advisers in Central American countries be reduced, within efforts to decrease tension in the area.

The U.S. offer implies a reduction in the Cuban presence in Nicaragua and the withdrawal of U.S. military advisers in El Salvador and Honduras. Enders suggested that the Central American countries should agree "to decide on a common limit and on the lowest possible number of foreign military advisers."

Fletes Valle said that the fact that this top U.S. official involved the United States in an idea for demilitarizing the Central American region is very important.

He said "the idea was earlier expressed by several progressive sectors in the region, as well as by government sectors."

The PSC leader noted that Central American political leaders commented on various occasions that demilitarization should be sought and that this idea was reinforced in 1981 during a Christian Democratic meeting in Central America. "Disarmament in the Central American region is the best path toward democratization," he said.

The U.S. offer announced by Enders has prompted reaction from some Nicaraguan political leaders, but there have been no comments in government circles.

Virgilio Godoy, president of the Independent Liberal Party (PLI), said: "I don't believe that anyone who is even halfway interested in solving Central American's problems can ignore Enders' proposals." The PLI is a member of the patriotic front of the revolution, which also includes the Nicaraguan Socialist Party, the Peoples Social Christian Party and the FSLN.

Fletes Valle noted that "support for the concept of demilitarization has been found in remarks by Virgilio Godoy," the labor minister.

The PSC is a member of the Democratic Coordinating Board, which also includes the Constitutionalist Liberal Movement and the Social Democratic Party.

Fletes Valle said that the current Nicaraguan Government has recognized the need for peace in Central America, adding that this is an opportunity to demonstrate this interest. He said that a process of coordinated efforts to reduce the number of military advisers and the quantity and types of weapons must be initiated.

"This is a great opportunity for Central America, for, as Godoy was saying, the reduction of military expenditures would allow the area's peoples to devote more of their resources to health, education, housing and economic development, through more productive investments," Fletes Valle said.

In regard to Enders' suggestion that the region's countries should reach an agreement on the number of foreign military advisers, the PSC president said:

"The Nicaraguan Government has on previous occasions expressed its willingness to discuss this issue, and an important counterpart like that which has been reflected in U.S. foreign policy in the last few days will undoubtedly boost this idea."

"This concept has been present not only in the minds of government officials but in those of the Central American democratic forces," Fletes Valle emphasized.

He denied that Enders' suggestion for a reduction of the Cuban presence in Nicaragua will be an obstacle to the initiation of talks on demilitarization in Central America.

"The demilitarization process implies an international and united effort; it must be a coordinated effort involving all parties."

Fletes will leave for Venezuela on Wednesday to participate in a meeting of the Social Christian Party (COPEI), which is the ruling party.

The COPEI meeting is being held to choose a presidential candidate. It is believed that Rafael Caldera, president of the IPU, is already the virtual winner. Caldera was the president of Venezuela from 1970 to 1974. Fletes Valle was invited to this meeting along with other Latin American Social Christian leaders.

CLANDESTINE STATION CITES OPPOSITION IN MASAYA

PA280306 (Clandestine) Voice of Sandino in Spanish to Nicaragua 0000 GMT 27 Aug 82

[Text] What is occurring in Masaya? We have noted that the newspaper of the repression has been trying to encourage the people of Masaya with reports that give the impression that Masaya now completely supports the traitorous collective and its clique of criminal Stalinists. Citizens of Masaya view those reports as insulting.

We have also been told that it is false that the cooperatives of Monimbo have given any support to the traitorous collective. The report on the meetings of the Sandinist Defense Committees [CDS] is also false because they no longer exist. They were disbanded the day of the actions that the people of Masaya carried out to reject the slanderous and totalitarian maneuvers of the nine.

The neighborhood council of Monimbo has publicly stated that it will not permit the existence of the CDS, and that all persons who participate in CDS tasks will be publicly denounced as informers at the service of state security.

It is also false that the 81 people arrested are from Managua. The people of Masaya know perfectly well that they are from Monimbo and other neighborhoods of Masaya. A group of citizens is currently making a list of the 81 people under arrest and the approximately 16 people who are missing about whom state security says nothing. Regarding those imprisoned, the state security members have transferred them to Managua, and they are all under the orders of the officer of Chilean nationality who is chief of the POI [Internal Order Police], the most specialized repressive force. Regarding the POI, we want to indicate that it has replaced Somoza's EEBI [Basic Infantry Training School]. The 81 prisoners have been tortured, and many of them have been transferred to clandestine jails located in Esteli. According to reports from reliable sources, about 29 of the 81 prisoners from Masaya are being held incommunicado and are not being given food.

While all these violations of human rights are taking place, Melvin Wallace said in Costa Rica that in our country there is absolute respect for human rights. The people of Masaya will begin to burn the newspaper of repression as a demonstration of their repudiation of its distorted reports about them.

PARAGUAY

POLICE RAID OPPOSITION LEADERS' OFFICES

PY062245 Asuncion ABC COLOR in Spanish 6 Sep 82 p 8

[Text] The Executive Board of the Authentic Radical Liberal Party (PLRA), party leader Miguel Abdon Saguier and the Human Rights Commission reported that police yesterday raided the offices of [PLRA leaders] Dr Juan Manuel Benitez Florentin and Dr Miguel Abdon Saguier and that Dr Saguier's brother, Dr Hermes Rafael Saguier, was arrested. It was reported that shortly after 0830 yesterday, as Abdon Saguier left his brother off in front of the Zodiac building where the former has his office, at least eight plainclothes police entered the building and reportedly raided the offices of Saguier and Benitez Florentin, arresting Saguier's brother. It was reported that the two offices were thoroughly searched.

Hermes Rafael Saguier lives in Buenos Aires, belongs to the PLRA committee in that city and is the national accord representative in the Argentine capital. Miguel Abdon Saguier said that his brother's detention was connected with the petition for a court injunction favoring Mopoco [Colorado Popular Movement] members and their return to Paraguay scheduled for 11 September.

SURINAME

ARMY SERVICE TO EXTEND TO WOMEN, FOREIGNERS

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[Text] Paramaribo, Suriname, Sep 1, CANA -- The Suriname military authority says it is drafting a charter for the National Army, which will include compulsory national service extending to women and foreigners resident in the country. Deputy Army Commander Major Roy Horb in a statement at the conclusion of a three-day evaluation exercise on the army in national development, said that the military authority's move was to a climate of satisfaction for the armed forces. "The best guarantee for a successful revolution is a satisfied army," he said.

Major Horb said that wide-ranging legal regulations were being prepared by a commission for the National Army. They will cover promotion, ranks and other aspects of army life. Besides these, there are proposals for a decree dealing with the character of the National Army, suggesting that besides its combative task, it must also carry a development orientation. With this in view a special development unit will be created after approval of the decree.

In the military charter, among other things it is proposed to have a negotiating commission which will deal with decisions affecting the legal position of the Army. With the possibility of taking women and foreigners into the national service, Horb said there would be legal provisions for conscientious objectors against compulsory service. Other forms of in-service are being proposed for this category of persons. Horb said that the radical changes being proposed by the Army had been developed and examined after nearly three years since the February 25, 1980 revolution here. "It is our hope that when the final documents are approved there will be a clearer picture of the functions, character, duties and rights of the Army. We hope to clear up all misunderstandings that exist at the moment," he said.